

Funds Raised to Accelerate Dona Maria Drilling

Drilling to date has provided significant encouragement on this highly prospective project

Highlights

- **\$AU1.075M raised through private placement to existing sophisticated investors at \$0.06 per share**
- **Funds will primarily be used to accelerate drilling at Dona Maria Project as part of the current resource expansion project**
- **Drilling between Dona Maria and Dona Maria South has consistently intersected the mineralised structure over a strike of 1.7km, including the previously announced circa 40,000-ounce resource of Dona Maria and the high grade intersections recorded in initial drilling in the southern extremities of the proposed structure, including 1m @ 21.56 gram per tonne gold (g/t Au) from 94m*,**
- **Drilling is also planned to continue at other targets across Premier and O Capitão, including the Mine Gate prospect, Metago Open pit extensions and Lavra.**

Cleveland Mining Company Ltd (ASX: CDG) is pleased to provide details of a small private placement made to existing sophisticated shareholders. \$AU1.075M was raised through the issue of 17.9M shares @ \$0.06 per share. The placement was co-ordinated by the Company, thus keeping costs to a minimum. The Company targeted a raise of \$1M and was delighted with the positive response to the raise from the very limited group of shareholders contacted. Funds will primarily be used to further the current drilling program, which is being undertaken to lift the resource base and associated mine life of the project as part of a process to re-finance the Company and increase the project value. As previously planned, the bulk of the drilling will be undertaken on the Dona Maria project, though further drilling is also planned for Metago, Mine Gate and Lavra project areas.

Funds raised are to partially replace funds that were expected, though not received in June. The Company has had significant interest demonstrated by a number of investor groups and is working

Corporate Information

Total shares: 338.4 million
Options on issue: 22.8 million

ASX Code: CDG

Contact

Investor & Media Enquiries
info@clevelandmining.com.au

Board of Directors

Alex Sundich - Non-Executive Chairman
David Mendelawitz – Managing Director
Rick Stroud – Non-Executive Director
Glenn Simpson – Non-Executive Director

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with these groups and with Platinum Partners LP (the Company's Senior Secured Lender) to determine the optimum finance solution and structure.

About Dona Maria

Dona Maria is a prospect located within Cleveland's O'Capitão project, itself located approximately 10km north of the company's Premier milling facility.

Dona Maria's approximate 40,000 Oz[#] resource has been interpreted to represent less than 3% of the resource potential contained within the Dona Maria prospect area.

Dona Maria South represents the southern extension of the interpreted mineralisation trend along strike from the Dona Maria project. Initial drilling results provide significant confidence that the interpreted model is most likely accurate, which, if so, provides much enhanced mineral and resource potential.

Whilst further drilling is required to both confirm the extension and delineate resources, the initial results are extremely encouraging, due to:

- correlation with the Dona Maria resource and interpreted mineralised trend,
- the high gold grades intersected from the drilling at Dona Maria South, including 1m @ 21.56 gram per tonne gold (g/t Au) from 94m*,
- the fact that the holes have intersected what appears to be the unit and alteration which hosts the mineralisation located along 1,700m of strike from the known resource,
- Mineralisation remaining open south of the reported drilling.

*Reported grades are peak grades and not representative of the average grade of the sampling program. Grades ranged from 0 to the peak grade. Insufficient data exists to assign an average grade to the geological unit at this stage.

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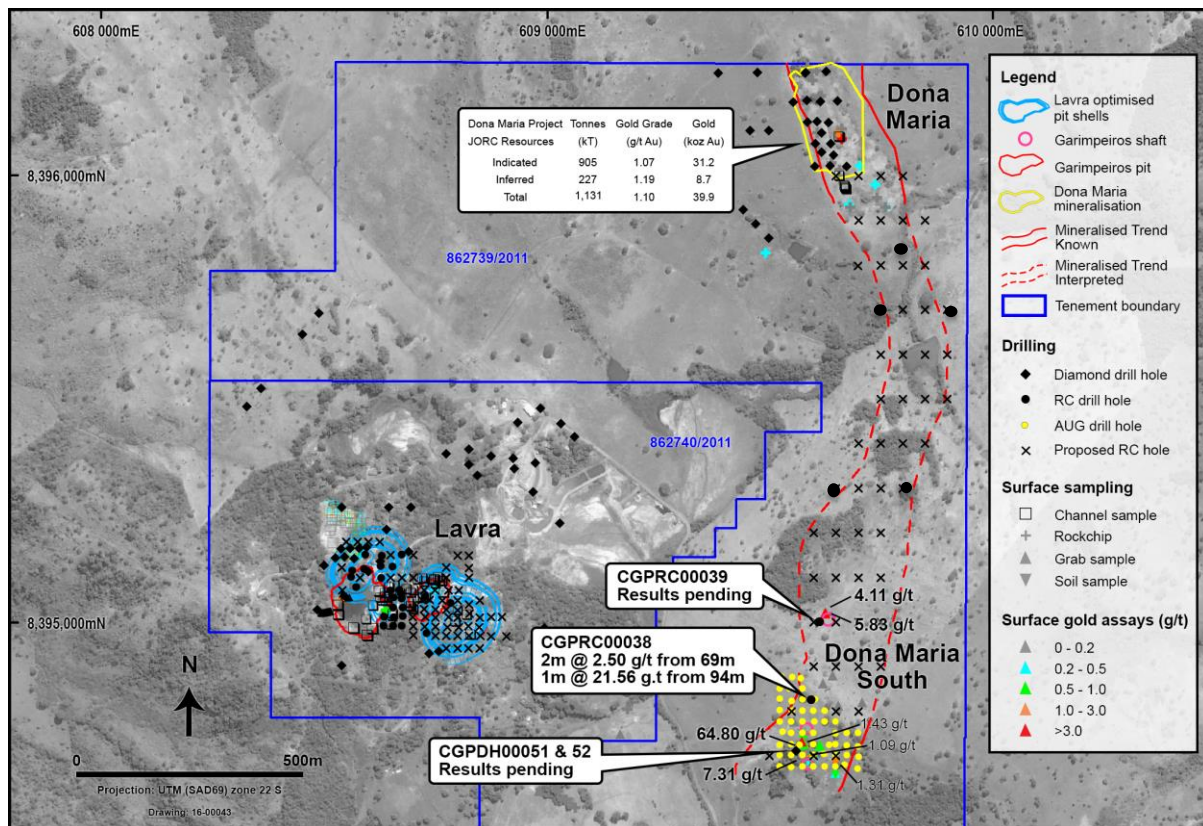
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Map of O Capitão project area showing Dona Maria South in relation to Dona Maria and Lavra. Note black dots represent drilled holes and black crosses represent planned holes for a systematic drill out. The mineralised trend is interpreted from a range of data including mapping, geophysics, auger drilling, shaft sampling, rock chip and extrapolation of resources defined at Dona Maria. At this stage insufficient drilling has been completed to confirm the existence of cohesive mineralisation within the interpreted trend.

#The above map contains an insert showing the breakdown of Inferred and Indicated Resources defined to date at Dona Maria

Cleveland's Managing Director, Mr David Mendelawitz said, "We are very encouraged by the response from the shareholders who participated in the raise. We were able to fill the book with three phone calls, and thus were able to execute very quickly and cheaply, which we see as a testament to the belief that our long-standing shareholders share in our view of the potential of the project. With the success of the initial drilling at Dona Maria and Mine Gate, along with the other areas of mineralisation that we have defined to date across the 24 km² project area, we are confident that this drilling will take us several steps further forwards in demonstrating the value of this highly prospective project."

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“We are, and have been for a long time, certain that we are in the right country and location due to its potential and the low unit cost base of the region. Combining what we continue to discover in the project with the increased interest in the gold sector, this a very exciting time for this emerging Company.”

ENDS

Further Information:

Investors:

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Forward-looking Statements

Forward-looking statements can be identified by the use of terminology such as ‘intend’, ‘aim’, ‘project’, ‘anticipate’, ‘estimate’, ‘plan’, ‘believe’, ‘expect’, ‘may’, ‘should’, ‘will’, ‘continue’ or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward looking statements. They are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this ASX update. Readers are cautioned not to put undue reliance on forward looking statements

Competent Person’s Statement

The information in this report that relates to Exploration Results is based on information reviewed by David Mendelawitz, who is a Fellow of the AusIMM. Mr Mendelawitz has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Mendelawitz consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Mendelawitz is employed by Cleveland Mining Company Ltd.

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