

Management, Strategy & Projects

June 2014



David Mendelawitz

Managing Director



ASX Code **CDG**

Important Information

Disclaimer

This presentation contains certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that Cleveland Mining Company Limited (“Cleveland” or the “Company”) believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “target”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could”, or “might” occur or be achieved and other similar expressions. These forward-looking statements reflect the current internal projections, expectations or beliefs of Cleveland based on information currently available to Cleveland.

Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Cleveland with securities regulatory authorities, that may cause the actual results of Cleveland to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on Cleveland. Cleveland expressly disclaims any obligation to update or revise any such forward-looking statements.

Investment Highlights

Producing Gold & Exploring Iron Ore in Brazil

1. Producing Low Cost Gold Mine (Premier JV) with Identified Expansion Potential

- › Achieved gold production in very short time
- › Low Opex, Capex & sovereign risk operating environment

2. Iron Ore Exploration JV with BCI Iron Limited (ASX: BCI)

- › Significant targets
- › Open access infrastructure
- › Typical production costs well below Australian costs per tonne.

3. Experienced Management team in place with proven track record

- › Clear strategy and focus
- › Significant “skin in the game”
- › History of successful major company and project development – exploration, development, operations, finance & marketing
- › 3 Directors held long tenures on the Board and operationally at Fortescue Metals Group (ASX: FMG) from Fortescue’s inception
- › Significant South American and International experience.



Majority of early-stage risk now removed & substantial upside potential

Strategy designed to mitigate variable market conditions

Company Overview & Capital Structure

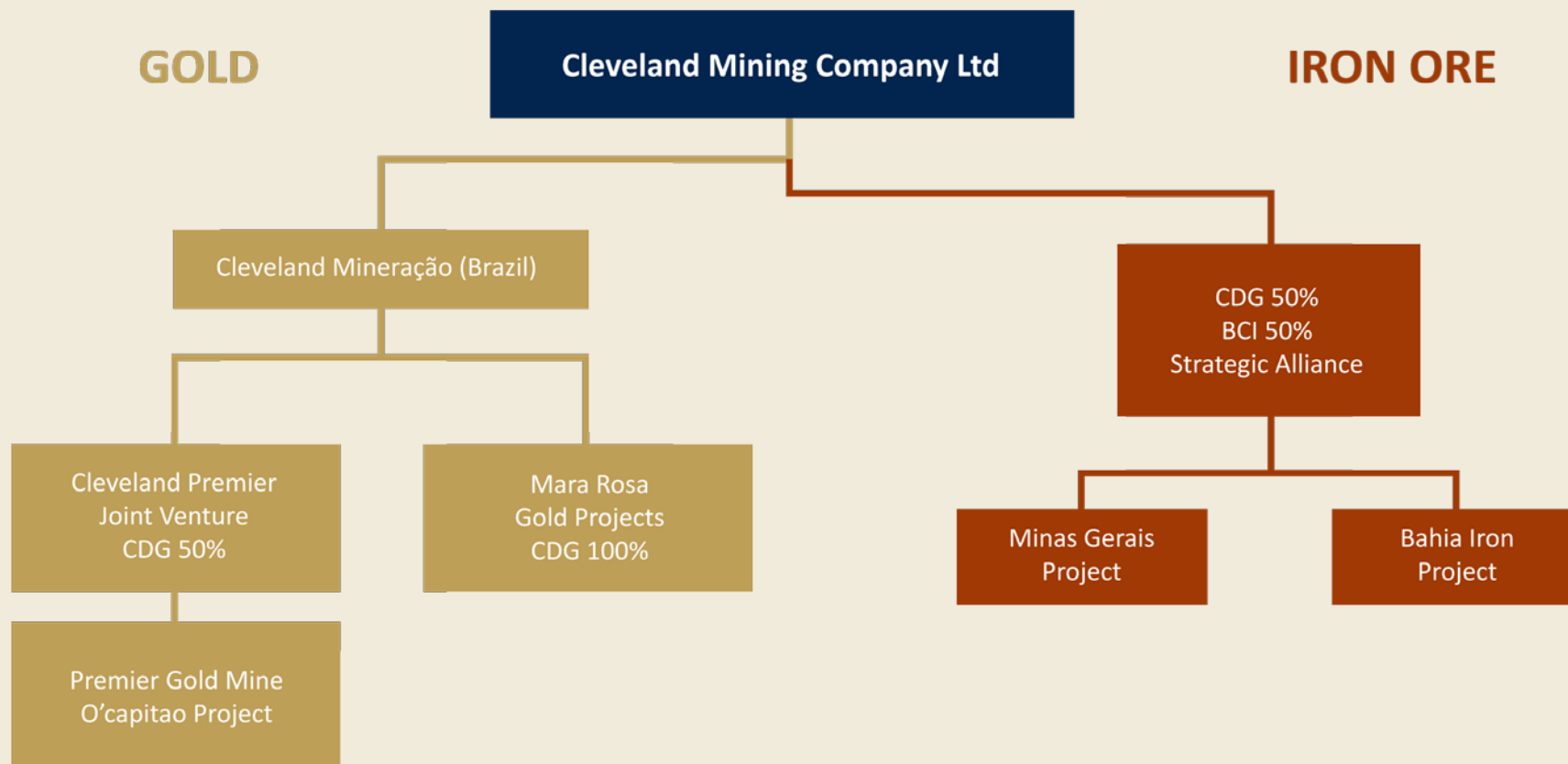
Cleveland Mining Company Ltd.

Issued and Paid Up Shares	Number
Shares on issue	241,308,401
Options	
Listed options (\$0.65)	11,364,998
Unlisted options (\$0.20 - \$0.62)	5,027,000
Performance Options (\$0.135 - \$0.40, against significant progress milestones)	29,206,667
Total Options	45,598,665

Major Shareholders	
Mrs Sarah L. Mendelawitz	17.37%
Mr Wang Zhe	4.97%
BC Iron (SA) Pty Ltd.	3.64%
Finook Pty Ltd	3.21%
Penwerris Pty Ltd	2.12%

ASX Code	CDG
Share Price	\$0.11
Market Cap @ 11c	A\$26.5m
1-year Range	A\$0.07 – \$0.19
Debt (at 1/5/14)	~A\$2.5m
Convertible Note (Secured against Premier JV 100%) To be repaid by Premier from 100% of first profits If converted, must still be paid by Premier to Cleveland	\$US7.48m Balance convertible at 14c post 15 September 2014
Debtors Owed to Cleveland by premier JV partner to be paid from 40% of JV partners profit distributions post repayment of Platinum Convertible note.	~A\$10 m

Group Structure



Board of Directors

Exceptional Experience in Delivering Successful Mining Projects



Russell Scrimshaw
Non-Exec. Chairman

- Ex-Deputy CEO & Executive Director Fortescue Metals Group Ltd (2003 – 2011).
- Executive positions with Commonwealth Bank of Australia, Optus, Alcatel, IBM and Amdahl USA.
- Chairman Sirius Minerals Plc (UK)



David Mendelawitz
Managing Director

- Ex-Fortescue Head of Business Improvement
- Geologist 20 years experience with gold and iron ore discovery success
- International Exploration, Mining and Commerce experience



Rod Campbell
Executive Director

- Ex-Fortescue Company Secretary and Head of Investor Relations (2004 – 2012)
- Ex-State Manager Western Australia of Rabobank Australia Ltd.



Rick Stroud
Non-Exec. Director

- Mining engineer with over 40 years' experience.
- Experience ranging through operations and corporate, open pit and underground, consulting and contracting.

Why Gold and Iron Ore in Brazil?

GOLD

- › Highly saleable, Low barriers to entry (low infrastructure)
- › Low-cost production
- › Low-risk location

IRON ORE

- › Potential for high volumes / high income
- › Significant expertise in Company
- › Simplicity of operations once established

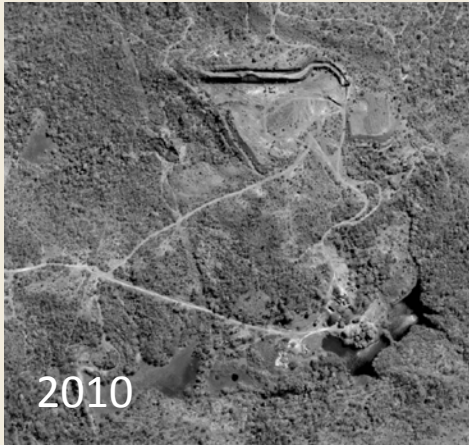


Gold

Gold production underway at the Premier Mine.



Premier's Metago Gold Mine – Transitions to Operating Site



Premier JV Gold Mine – Ramping up Operations

Stage 1 - current

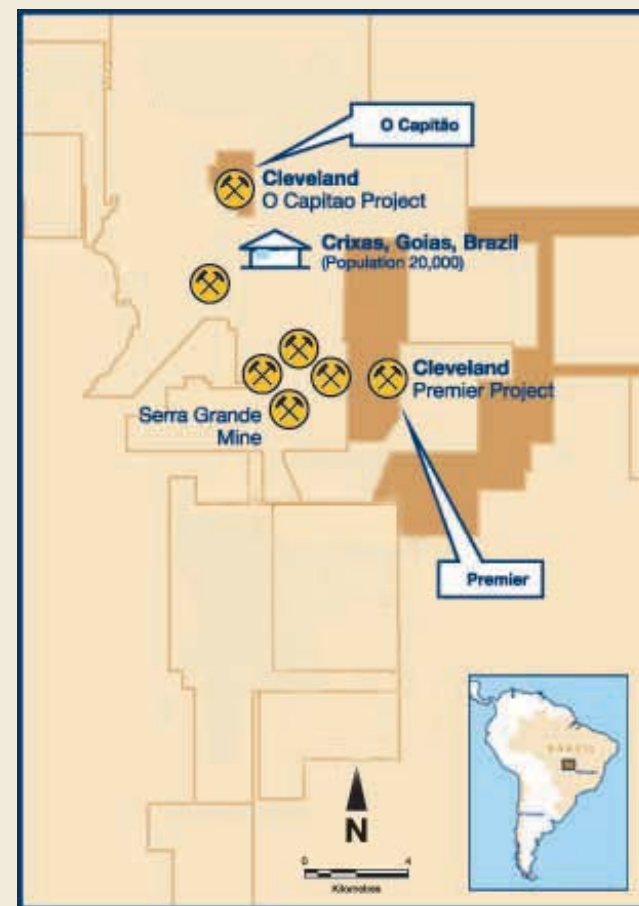
- › 50:50 Joint Venture with Edifica Participações
- › Implementing Metago mine plan & ramping up gold production
- › Gravity circuit recovering $\approx 60\%$ Au

Stage 2 (Planned 2H 2014)

- › Expansion of Metago resource base
- › Introduction of higher-grade material from O Capitão
- › Addition of ILR circuit to increase recovery to $\approx 75\%$

Stage 3 (Planned 2015)

- › Addition of flotation circuit to take target recovery $\approx +90\%$
- › Expansion of resources through further drilling and possible acquisition of other gold projects held in immediate region



World-class Address

- › 280km from National Capital accessed by sealed roads
- › Safe, mining-friendly area
- › 20,000 person mining and farming town close by
- › Cheap hydro-generated power available at site
- › Under developed, yet highly prospective greenstone belt



Mining underway at Premier Gold Mine

- › Mining underway on foundation resource to enable fastest route to cashflow generation and the establishment of a solid operating base
- › Mineralisation at surface remains open in several directions and at depth – **highly prospective for significant additions to existing resources**
- › Further exploration commenced
- › Gravity circuit completed
- › ILR installation on site underway
- › Excellent location with infrastructure



Anglo Gold Ashanti Serra Grande have mined 3.5 million ounces over 24 years situated < 1km away in same geological setting

Premier / O Capitão – Staged Development over 2014/15

Initial Production

Gravity Circuit

(\approx 60% recovery)

- Build team
- Perfect the basics
- Generate early revenue

Improved Efficiency

Cyanide (ILR) and flotation circuit

(target +90% recovery)

- Significantly improve production and cash flow

Expanded Production

Expanded Gold Production

- Aim to increase head-grade with O Capitão material
- Exploration funded from early cash flows to expand Resource



Simple Flow Sheet

Stage 1.

Crush – Grind – Gravity Concentrate

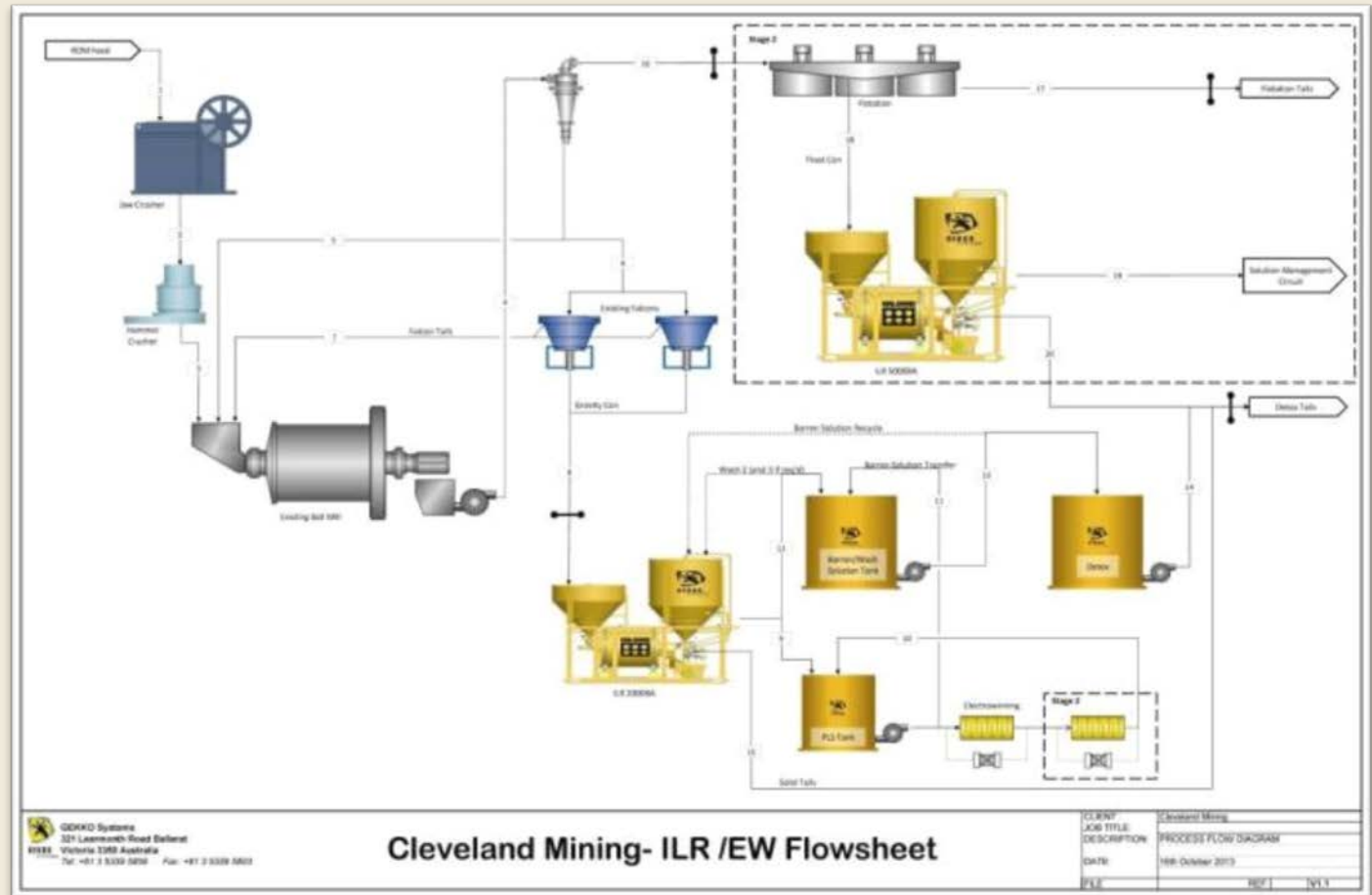
Stage 2.

Liberation of gold from concentrate via ILR ($\approx 75\%$ recovery)

Stage 3.

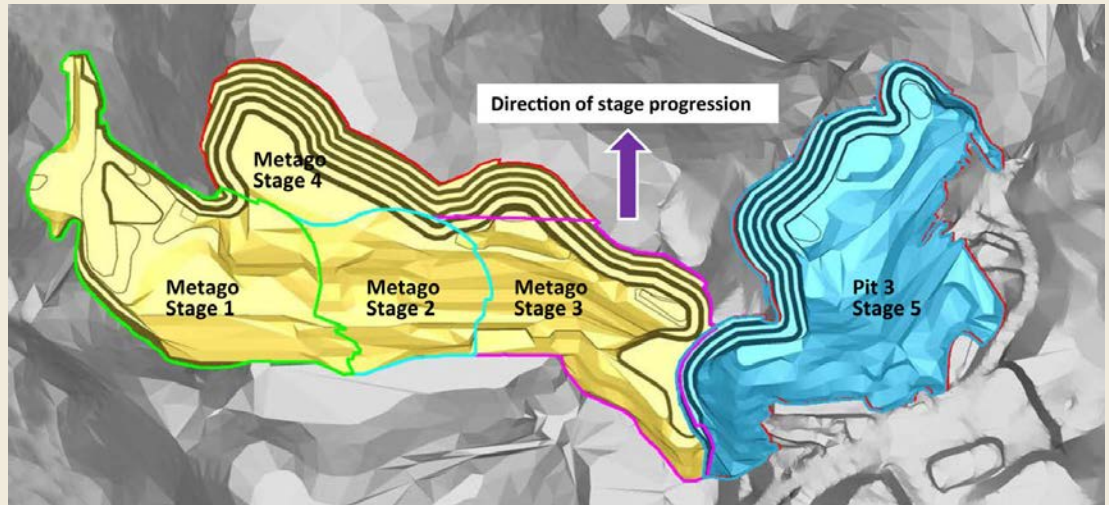
Flotation of gravity
tailings (target
+90% recovery)

- No CIL
- No cyanide disposed
- Low opex, simple system



Premier Initial Resource

- › Initial 'Foundation' Inferred and Indicated Resource of 950kt @ 1.52 g/t for 46,400 ounces JORC defined to underpin production start and payback of investment
- › Early access to high grade mineralisation
- › Orebody is outcropping and shallow dipping
- › Open along strike and down dip
- › Unit repeats below and an order of magnitude thicker
- › **Multi million ounce prospectivity** demonstrated through drilling, geophysics, soil sampling and mapping



Extensive Data Bank for Development Platform

- › Desktop studies of previous work, local and regional geology, and adjacent Serra Grande Mine (Anglo Gold Ashanti)
- › 15,079m of diamond (162 holes) and 6,007m of RC drilling (150 holes) by Cleveland
- › 4,803m of diamond (94 holes) and 4,142m of RC drilling (43 holes) by historic owners
- › 61m of underground channel samples (30 channels)
- › 3,106 soil samples collected by Cleveland and 2,008 soils samples collect by historic owners
- › 40 channel samples totalling 10,063m
- › Extensive mapping
- › Magnetic and VTEM geophysical surveys
- › Extensive modelling
- › Extensive QAQC
- › Ongoing grade control drilling and mapping

Low Cost Mining Metrics – Best Gold Price Hedge

Budgeted Monthly Mining and Grade Control Cash Costs

Mining costs	R\$ '000 per Month	%	Cost per tonne R\$	Cost per tonne AUS\$
Machinery Rental	173	26%	0.49	0.24
Fuel	213	32%	0.61	0.30
Maintenance	11	2%	0.03	0.01
Explosives	100	15%	0.29	0.14
Services	16	2%	0.05	0.02
Labour	56	8%	0.16	0.08
Geology	60	9%	0.17	0.08
Analysis	46	7%	0.13	0.06
	675	100%	2	0.98
Target Monthly Tonnes Moved	350,000			

▪ \$AUS:\$R = 1:2.05

▪ Includes 8 trucks, 1 excavator, water truck, fuel truck and dozer

▪ Includes all rented equipment plus 1 owned truck and owned excavator

Premier Gold Mine – 3 year forecast

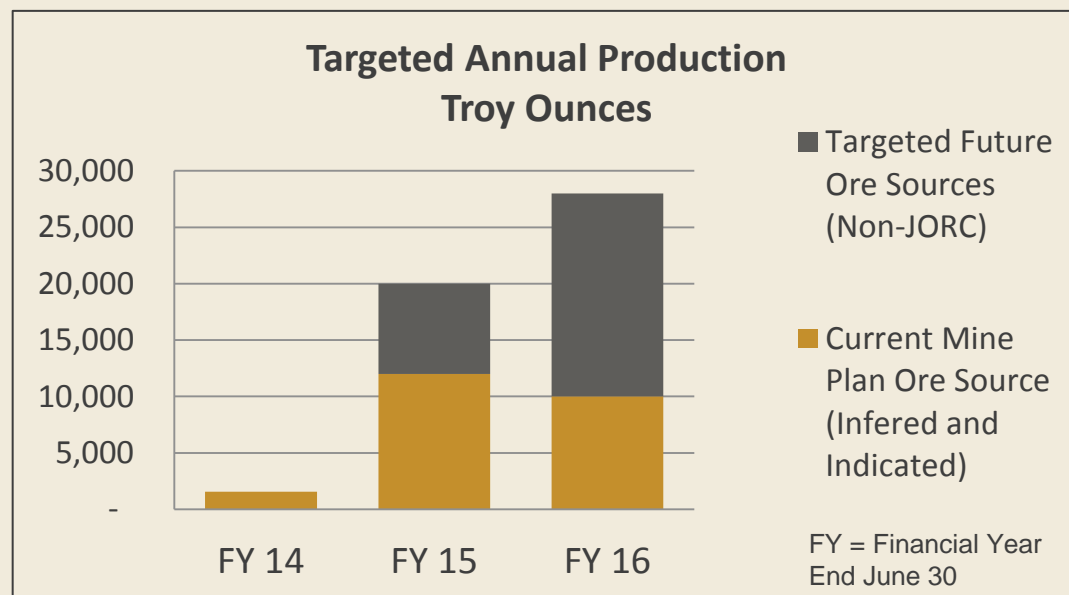
Cash costs forecast to decline into industry lowest quartile as further equipment is installed and higher grade feed is mixed with the current production grade:

Initially

- › ≈ **US\$750 per ounce** for 30,000 tonnes per month with ILR at current grade

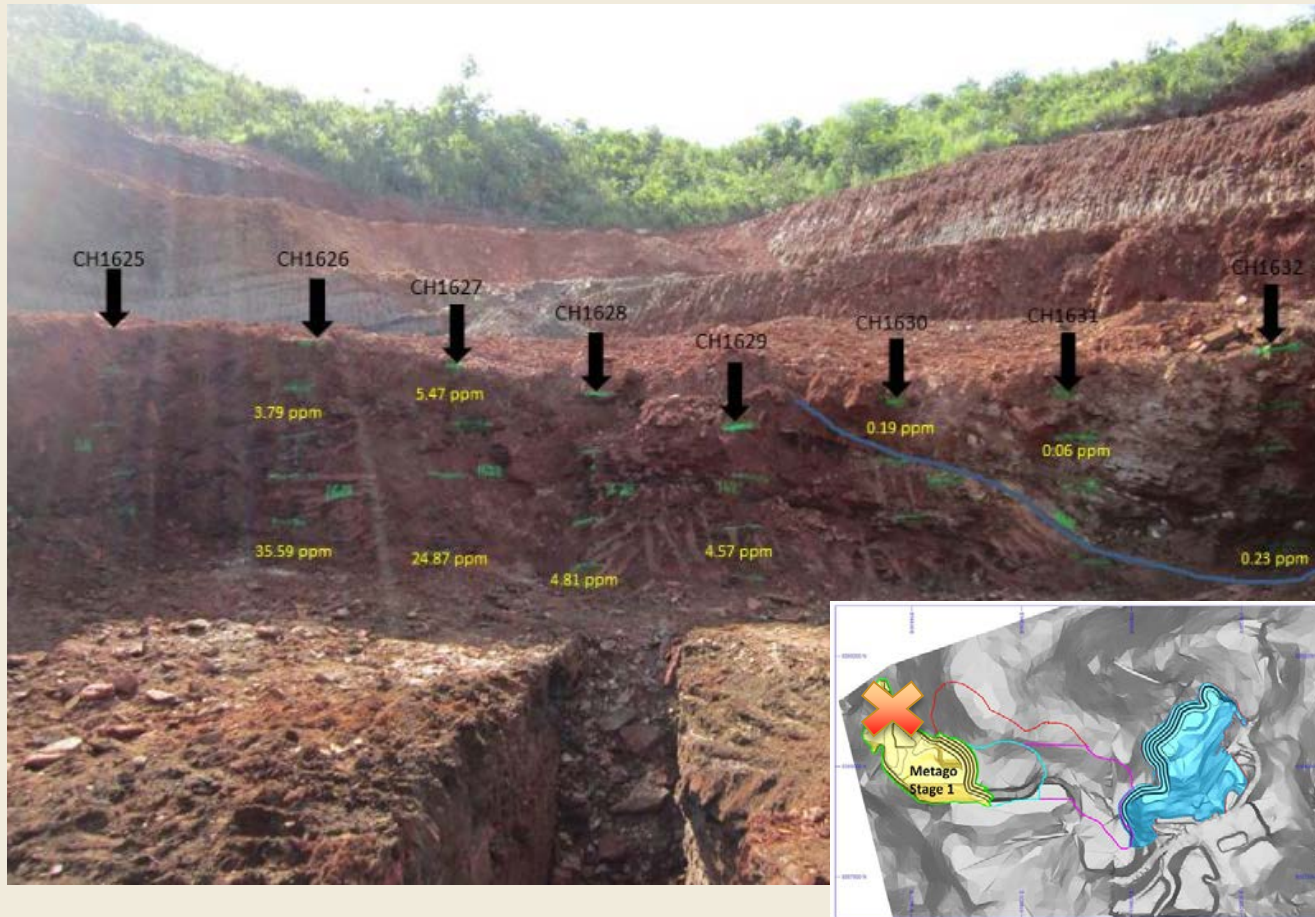
Once higher grade material from O Capitão is mined

- › ≈ **US\$450 per ounce** cash cost are forecast

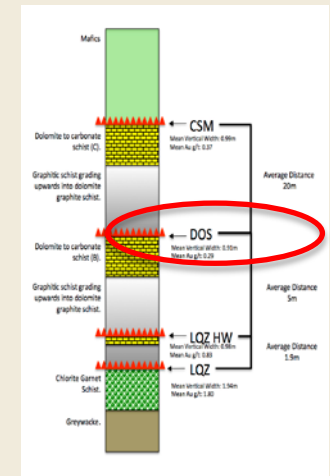


- Processing volumes assumed at current infrastructure capacity of 30,000 tonnes per month
- Production profile assumes a flotation plant as from Feb 2015
- Target future ore sources is guided by Capitão exploration drilling to date
- There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.
- Targeted ore based on modelling utilising data listed on pages 16 and 23
- Ore resources tabled on page 40

Further Potential Exposed in Current Mine Sequence

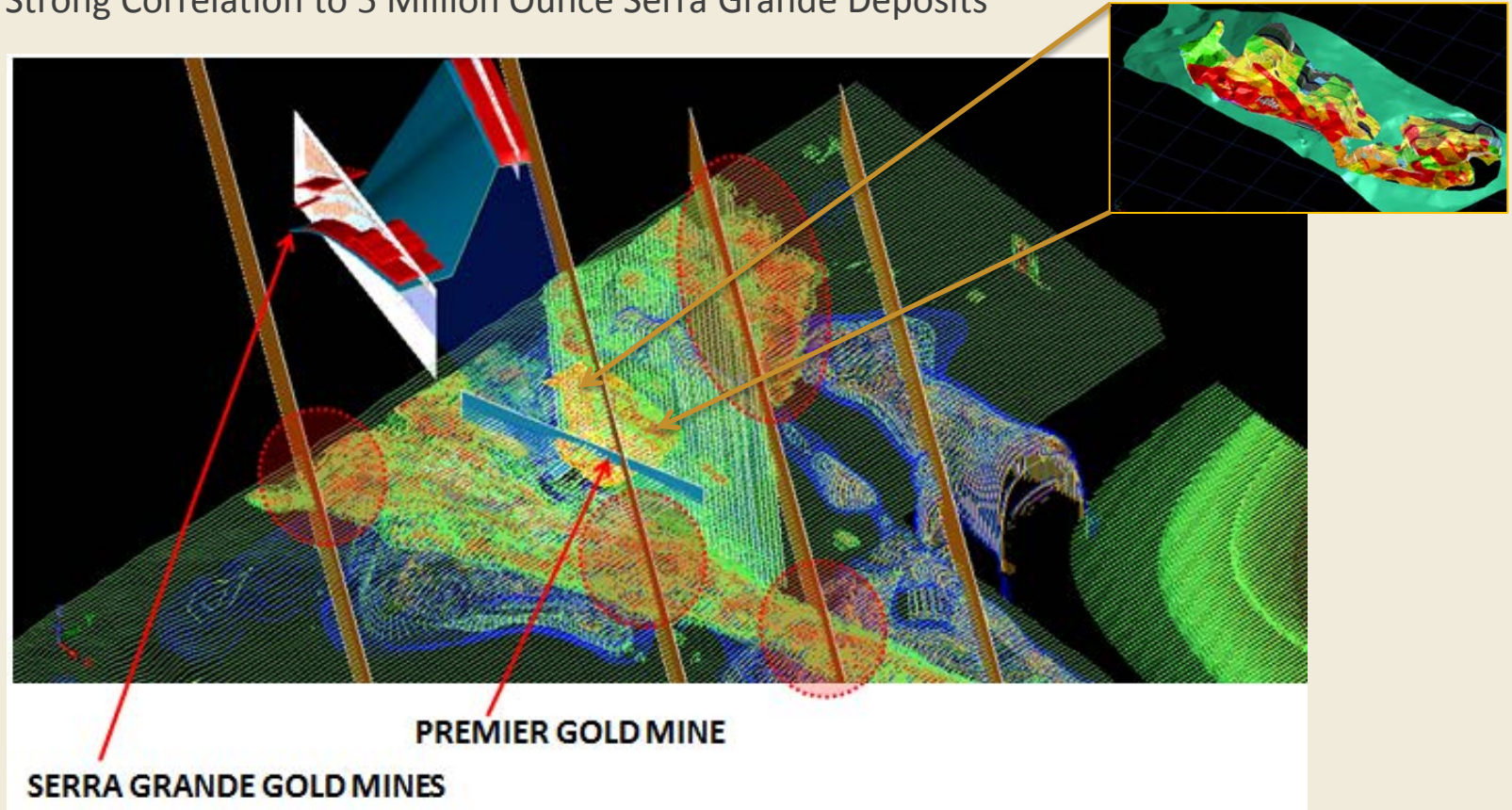


Secondary structures identified hosting high grade gold pods above mine sequence



Regional Expansion targets

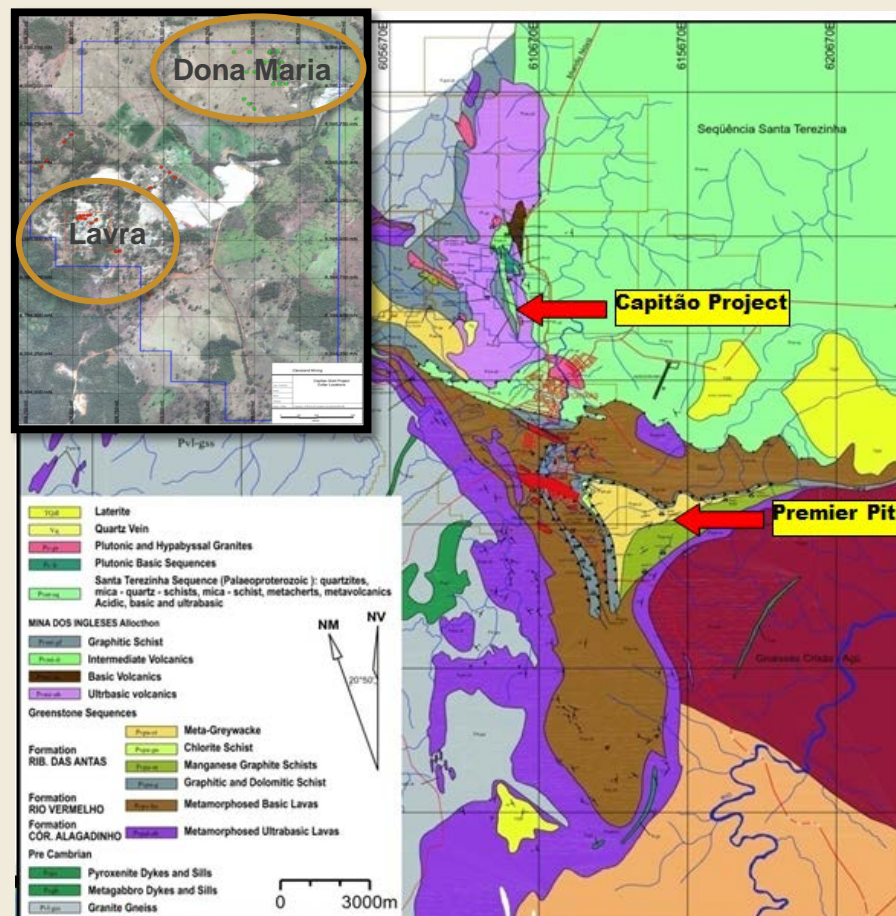
- › Multiple targets defined by geophysics and geochemistry
- › Strong Correlation to 5 Million Ounce Serra Grande Deposits



O Capitão Gold Project

Resource expansion potential

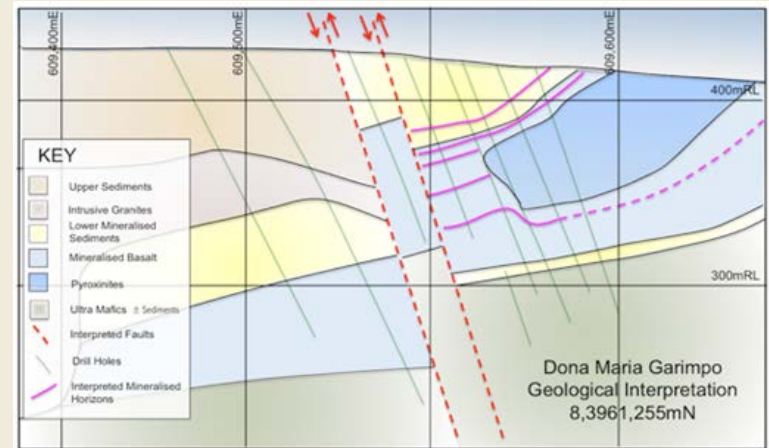
- › Site of large artisanal mine (5-10t Au extracted by hand)
- › Two mineralised areas identified
 1. Lavra
 2. Dona Maria
- › Multiple stacked lodes identified with **significant high-grade intercepts**
- › Less than 10km from Premier Mine
- › Planning for processing at Premier Mine



O Capitão - Dona Maria and Lavra

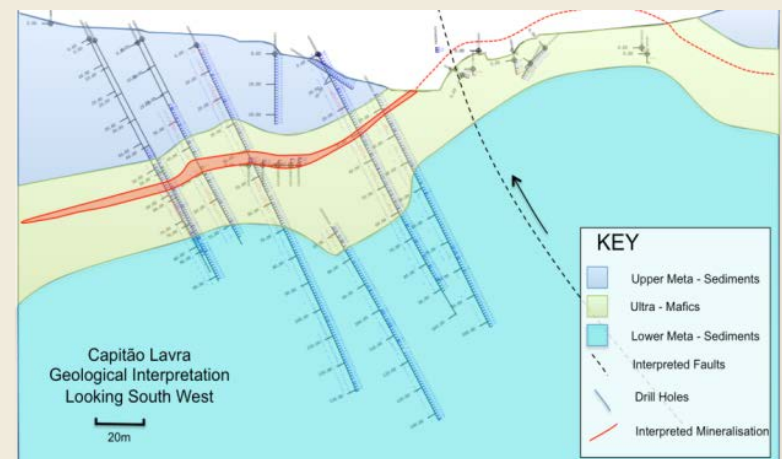
Dona Maria

- › New area away from historic artisanal mining
- › Around 1 km from Lavra
- › Open along strike and both up and down dip
- › Numerous exploration targets



Lavra

- › Historic Artisanal Mine
 - › Up to 12,000 garimpeiro miners extracted up to 10 tonnes of gold by hand
- › Mineralisation open in all directions



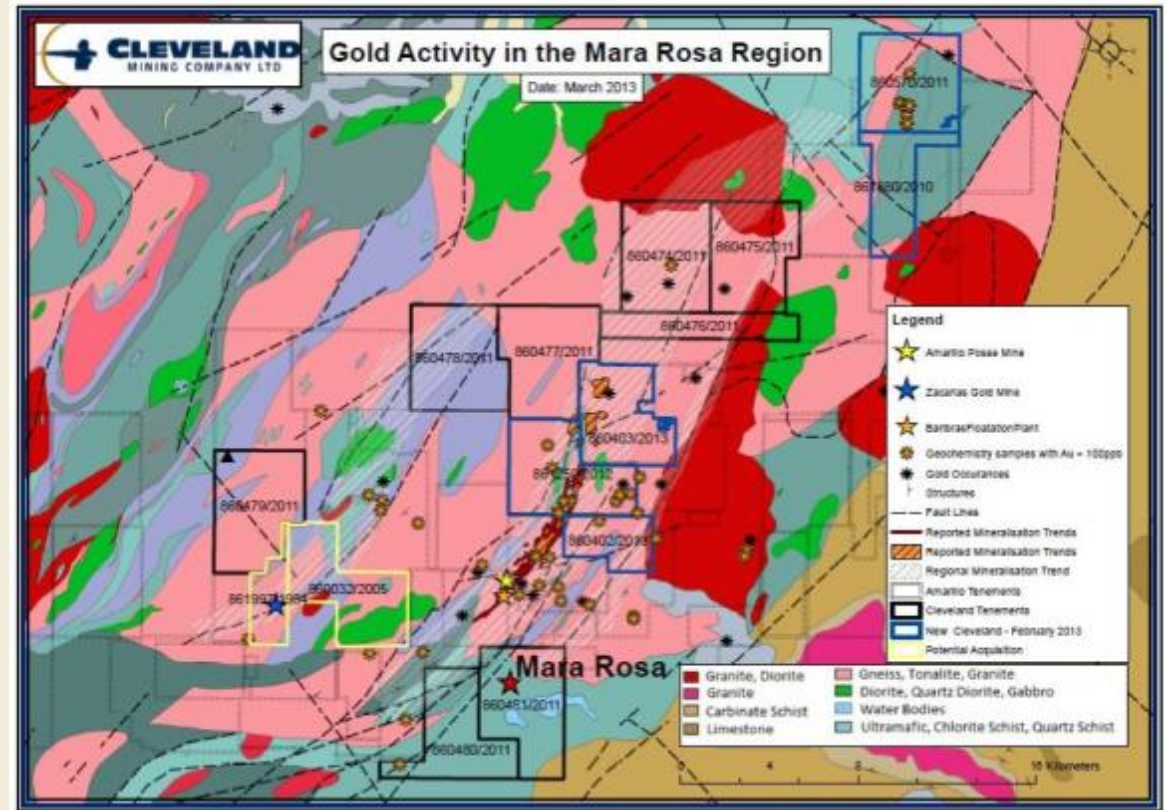
O Capitão – Work to Date

- › Desktop studies of previous work, local and regional geology, and adjacent Serra Grande Mine (Anglo Gold Ashanti)
- › 5,606.11m of diamond drilling (43 holes)
- › 937.9m (18 holes) of historic drill hole information
- › 111 chip samples conducted during mapping
- › 102m of underground channel samples
- › Extensive mapping
- › Magnetic and VTEM geophysical surveys
- › Geological modelling
- › QAQC
- › Preliminary exploration targets and an estimate generated for internal planning purposes (i.e. Non-JORC compliant)



Mara Rosa Gold Project

- › Approximately 100km from Crixás projects
- › Sharing geology and structures of Amarillo Gold's 1.2 Moz Posse Gold Project
- › Simple and shallow mineralising structures
- › Previous work confirms mineralisation
- › 100% Cleveland



Toll Treatment Orinoco Gold's Ore

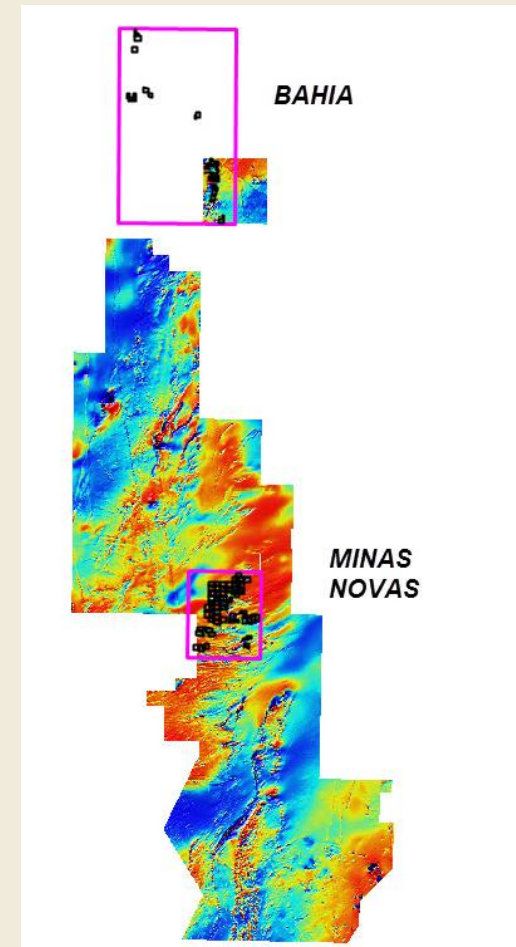
- › Cleveland has signed an agreement with Orinoco Gold (ASX:OGX) to treat up to 4000 tonnes per month from Orinoco's 70% owned Cascavel Project in Goias state, Brazil, approximately 120km from Premier
- › Under the agreement, Orinoco can, but are not obligated to, provide crushed ore to Premier's ROM pad and Cleveland will process the ore
- › After an initial trial parcel of 500 tonnes of ore, which will be charged at a set dollar rate per shift, further processing will be completed on a "participation basis"
- › The latest trial sampling completed by Orinoco yielded an average head grade of 16 g/t with 94% recovery from a gravity circuit with P80 of 1mm

Iron Ore



Bahia and Minas Gerais Iron Ore Joint Venture with BC Iron (ASX: BCI)

- › Large tenement holding in emerging iron ore provinces
- › Total of 1,264 km² of granted exploration concessions is held in Bahia (194 km²) and northern Minas Gerais (1,070 km²)
- › Strong government support
- › Bahia tenements
 - › Multi-kilometres outcropping strike extent identified so far
 - › Significant Iron Ore intersected in drilling over 6 prospects
 - › High grade concentrate produced at coarse grind size
 - › Open access rail under construction
- › Minas Gerais tenements
 - › 6 adjacent anomalies
 - › orientation drilling completed
 - › New Open Access Rail Planned



Iron Alliance Management

Cleveland Mining

- › 5 years in country experience
- › Capable Brazilian team
- › Operating Premier Gold Mine in Goias, Brazil
- › “Ex-Fortescue” Executive team



BC Iron

- › Operating the highly successful Nullagine JV Iron Ore Mine in Western Australia
- › Strong operational team
- › Strong balance sheet



BAHMEX

- › Significant local experience
- › Former Government executives
- › Very strong Government relationships and bureaucracy knowledge

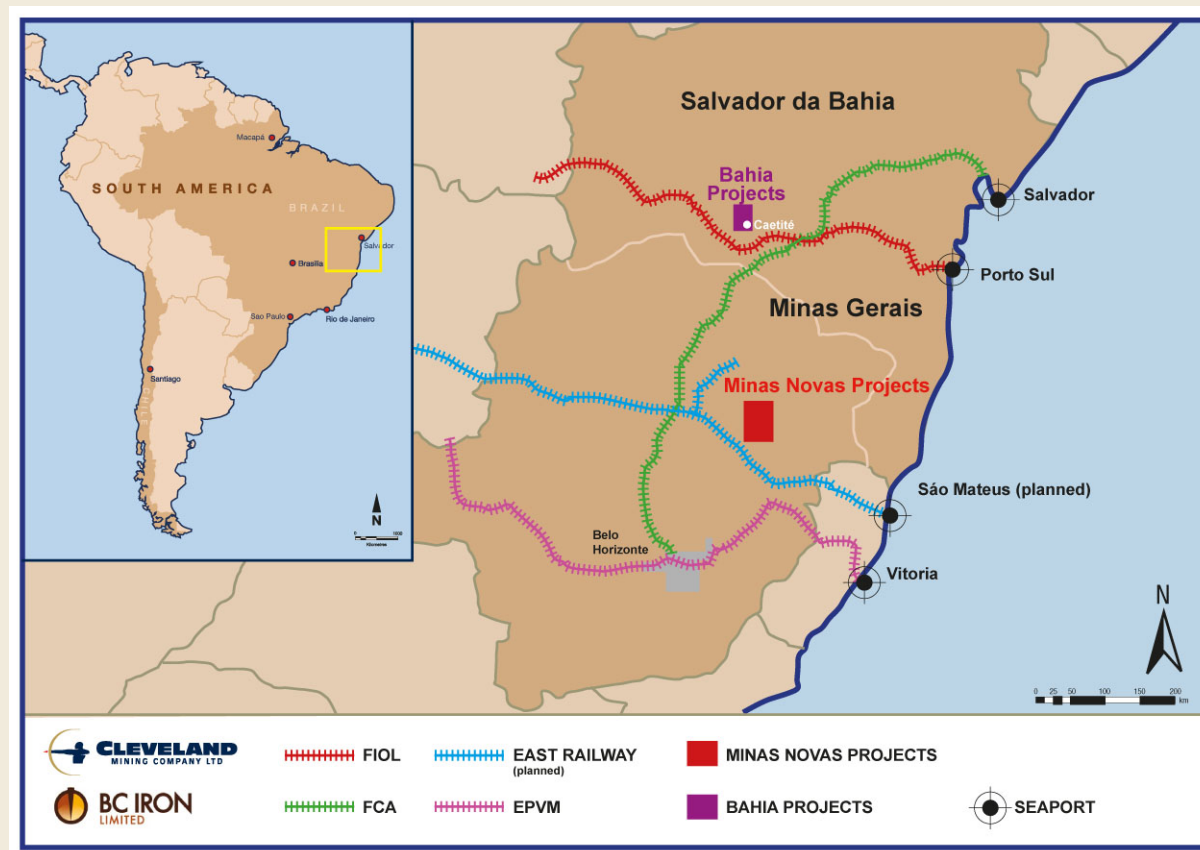


Iron ore Logistics

Bahia projects are as close as 25km from the FIOLE Stage 1 line.

Minas Novas project. Route for the planned East Line has not been finalised but expected to pass within 40km of the projects

Potential for mine-gate sales



Iron Ore Strategy

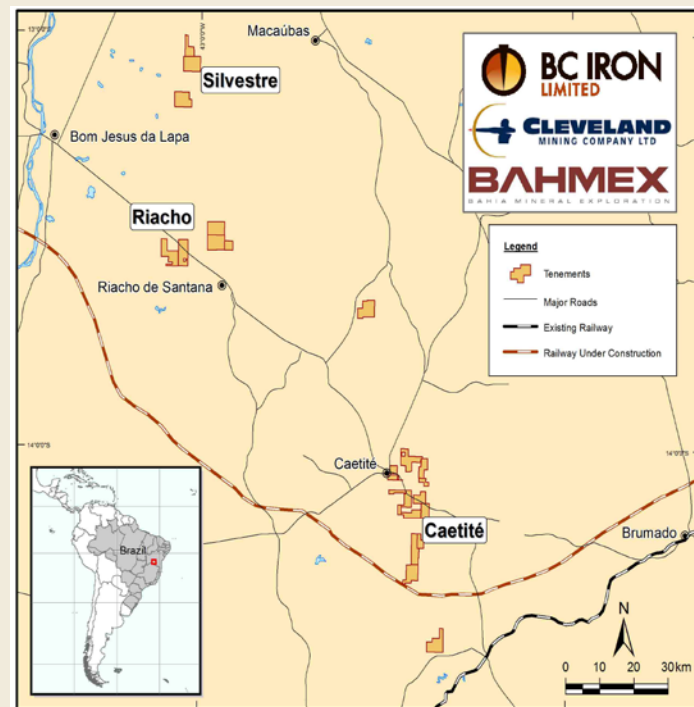
- › Start with projects closest to infrastructure
 - › Bahia first – Minas Novas second
- › Do not build big infrastructure or over leverage
- › Focus on bottom of the cycle production costs
- › Increase to 2 hubs targeting 1 -10 mtpa per hub
- › Sell to select few steel mills
- › Work closely with mills to maximise benefits to both parties



Bahia Projects - Bahia State, Brazil

Bahia Initial Targets

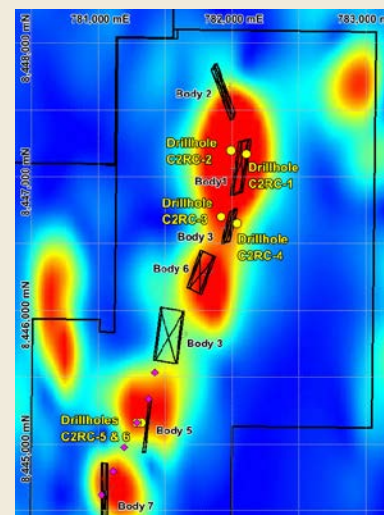
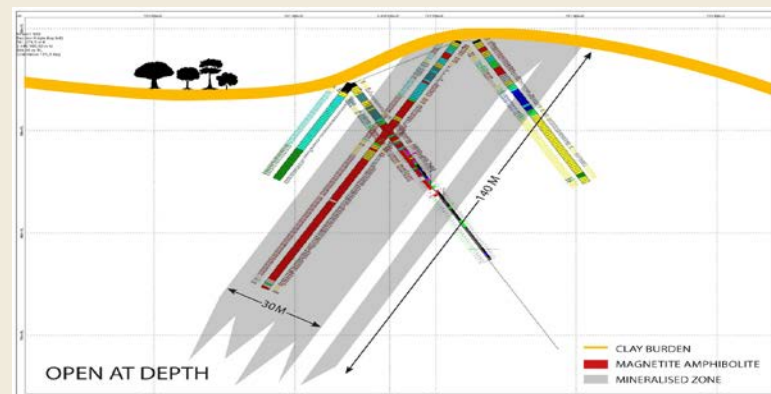
Prospect	Potential Strike (m)	Total Down-Hole (m)	True Width (m)	Dip (degrees)	Comment	Status
Caetite 1	750	11	10	15	Possible repetition Itabirite	First Pass Drilling Completed
Caetite 2	6500	67	30	80	Open down dip, Amphibolite and Itabirite.	First Pass Drilling Completed
Caetite 3	1500	15	10	15	Open to east. Itabirite	First Pass Drilling Completed
Caetite 4	2500	35	30	TBD	Significant down dip potential	1 hole only drilled
Riacho South	3000	TBD	TBD	Surface samples only	Riacho South has significant outcrop Magnetite-chert	Waiting to drill
Riacho De Santana-	+400	31	30	15	Itabirite	First Pass Drilling Completed
Silvestre	3000	13	10	Sub-vertical	High grade itabirite	First Pass Drilling Completed



Orientation drilling completed on 6 projects - **Iron ore intercepted on all projects**

Bahia Lead Project - Caetite 2

- › 6.5km long anomaly identified in outcrop and geophysics
- › Magnetite Amphibolite
- › 30 m thickness in 2 holes 3km apart
- › +140m down-dip confirmed
- › High quality concentrate produced in test-work at coarse grind sizes
- › 2 domains:
 - › hematite dominated north
 - › magnetite dominated south



Outstanding Concentrate produced

- › High grade concentrate produced from all Caetite projects and Riacho North
- › Only low magnetic intensity Davis Tube Recovery (DTR) test work conducted to date. Further recovery may come from hematite fraction with additional processing

Coarse Grind Size Results from Caetite 2.5 point Davis Tube Recovery Tests (DTR)

Sample ID	Head Assay	Grind Size (µm)	Concentrate Chemical Assay (%)			
	Fe%		Fe	SiO ₂	Al ₂ O ₃	P
CLV229996 (Southern Magnetite Dominated)	26.1	113	70.54	1.3	0.23	0.001
CLV229998 (Northern Hematite Dominated)	28.91	107	68.16	2.53	0.39	0.004

Results from Bahia single point Davis Tube Recovery Tests (DTR)

Sample ID	Project	Head Assay	Grind Size (µm)	Concentrate Chemical Assay (%)			
		Fe %		Fe	SiO ₂	Al ₂ O ₃	P
CLV229990	Riacho	30.75	89	58.2	16.9	0.06	0.02
CLV229991	Riacho	28.99	82	52.8	24.37	0.1	0.021
CLV229992	Riacho N	24.57	127	64.42	8.29	0.07	0.016
CLV229993	Riacho N	20.48	108	62.85	9.9	0.08	0.02
CLV229984	Caetite3	32.05	107	64.41	7.91	0.14	0.008
CLV229985	Caetite 3	18.88	109	67.42	3.13	0.39	0.013
CLV229986	Caetite3	34.45	115	69.4	0.99	0.33	0.012
CLV229987	Caetite 1	31.23	85	69.25	3.44	0.19	0.006
CLV229988	Caetite 1	28.13	99	68.22	4.49	0.17	0.008

Bahia Logistics

Bahia projects are between 25 km and 140 km from the FIOIL Stage 1 line. Depending on track route chosen for Stage 2, they lie a maximum of 95 km from the Stage 2 FIOIL line. Track distance to Porto Sul is around 550 km.

The FIOIL rail line Stage 1 from Porto Sul to ENRC's 26 Mtpa Bahmin project is currently under construction, completion scheduled for 2015, though 2016 is considered more likely.

Mine gate sales of ore to local producers and major iron ore companies is possible.



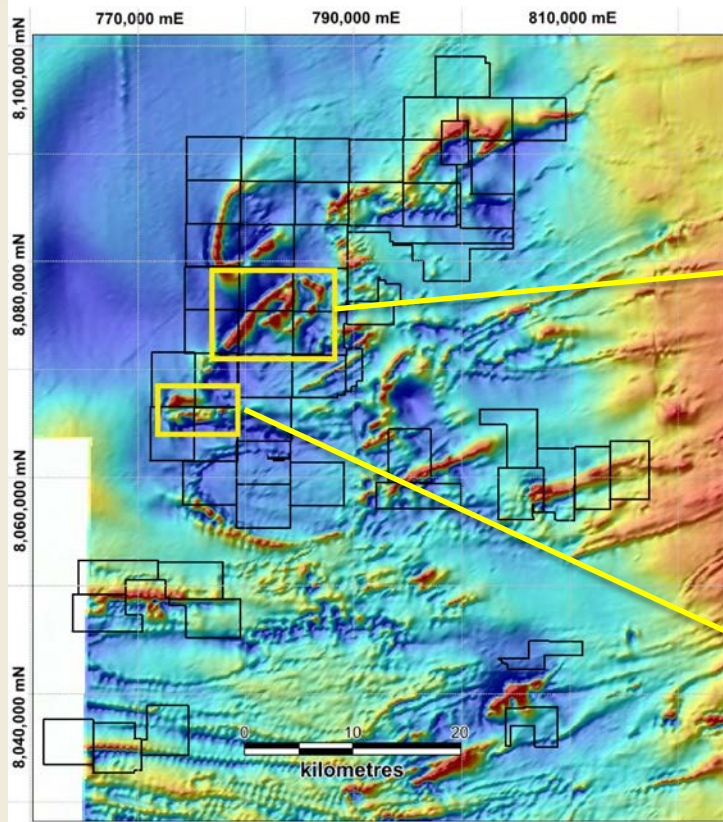
Minas Novas Project - Minas Gerais State, Brazil

- › 1,070 km² tenement package in Northern Minas Gerais
- › No previous Fe exploration in area
- › 3 years surface work by Vendors and Coffey Mining Brazil
- › 60 – 100km of strike defined by geophysics
- › Mapping and drilling confirms anomaly is itabirite iron ore
- › New open access railway planned for within 40km of project



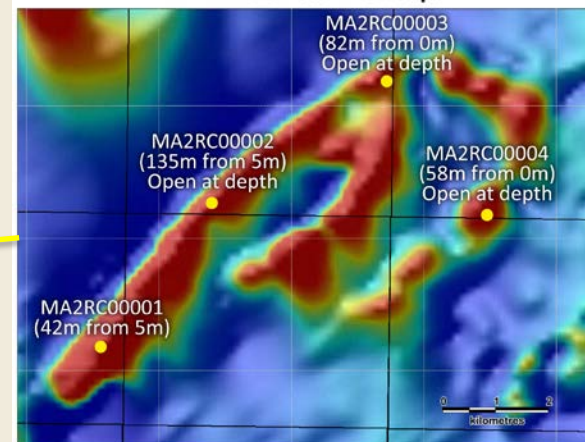
Primary Targets

- › 6 adjacent anomalies with significant potential
- › Anomaly 2: +21km of strike defined by magnetics, with high Fe rock-chips at surface

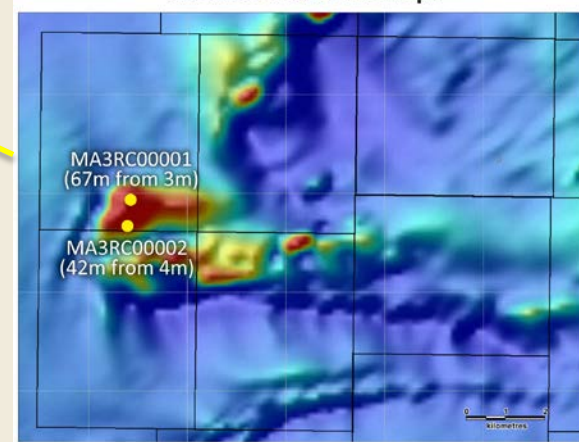


Aeromagnetic map with red representing high magnetic intensity correlating to observed itabirite and black boxes are Alliance tenements

A2 Mineralised Intercept



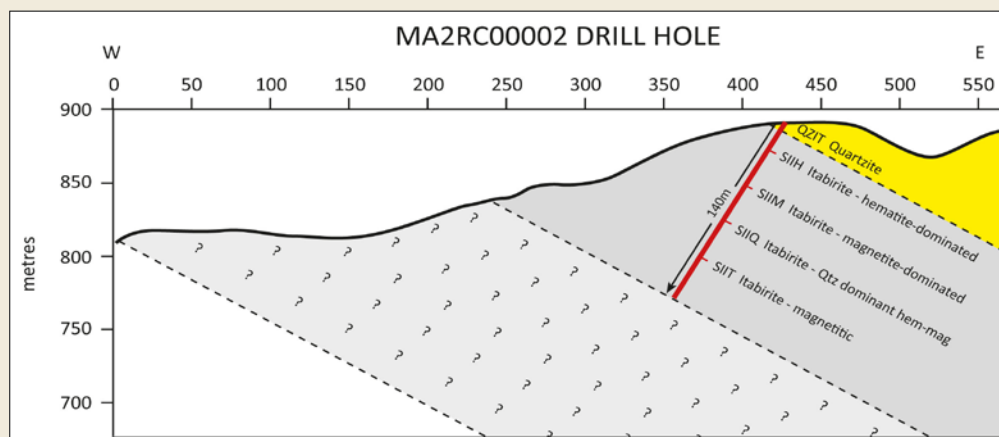
A3 Mineralised Intercept



Significant Itabirite Intersected in drilling

- › Initial 6 hole orientation drilling program completed
- › Survey aimed to correlate down-hole magnetics with aero-magnetics
- › Between 42 and 135m of itabirite intersected in each hole
- › Mineralisation in 3 holes open at depth

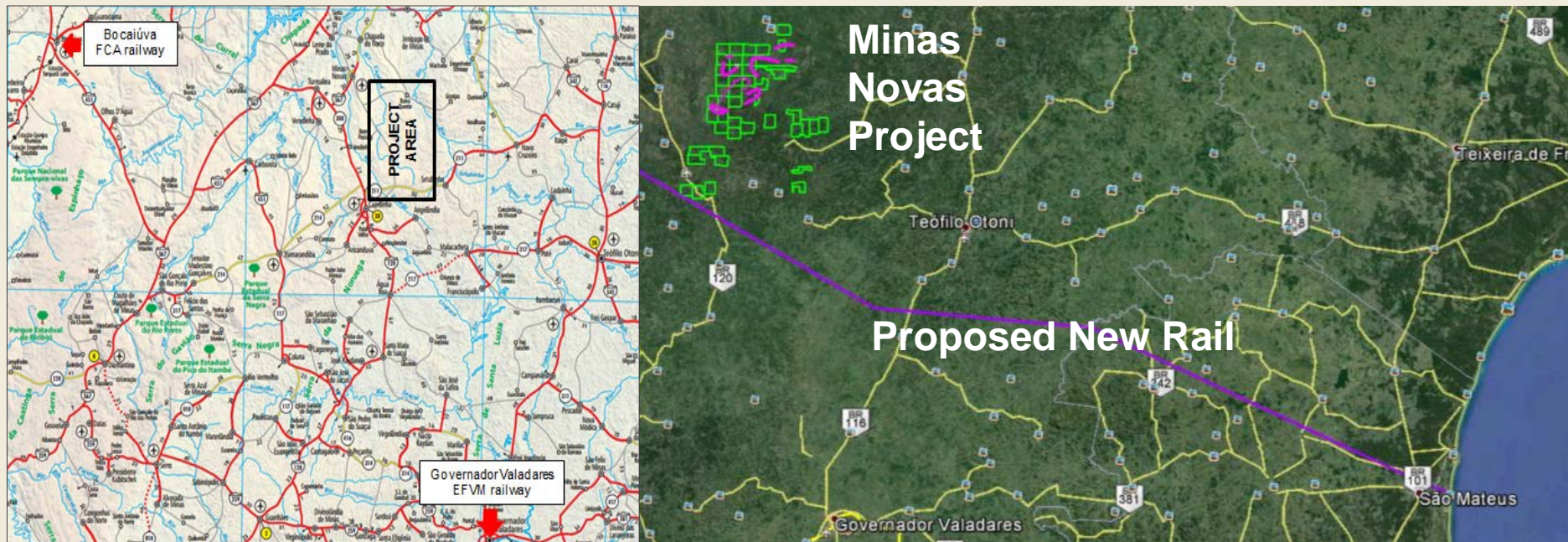
Minas Novas Orientation Drilling			Mineralised Intersection			
Hole Id	Anomaly	Depth	From (m)	To (m)	Thickness (m)	Comments
MA2RC00001	2	50	5	47	42	-
MA2RC00002	2	140	5	140	135	Open at Depth
MA2RC00003	2	82	0	82	82	Open at Depth
MA2RC00004	2	58	0	58	58	Open at Depth
MA3RC00002	3	64	4	46	42	-
MA3RC00001	3	70	3	70	67	-



Minas Novas Logistics

Minas Novas project is 160 km north of the existing MRS line from Belo Horizonte to Vitória, or 160 km east of the MCA line. Route for the planned East Line has not been finalised but it may pass within 40 km of the projects. Around 300 km from the coast.

The area is currently used for growing tree plantations for charcoal used in the local steel industry. An established trucking route is utilised to take this material to the mills and can be used for iron ore.



Upcoming News

GOLD

- ILR commissioning
- Flotation Optimisation Studies
- O Capitão Drilling
- Premier Extension Drilling

IRON

- Minas Novas assay results
- Minas Novas Metallurgical test-work results
- Further drilling in Bahia and Minas Novas

Ore Resources Statement

INDEPENDENT REVIEW OF THE RESOURCE ESTIMATION AT THE PREMIER GOLD PROJECT in BRAZIL

Mineral Resource at >0.5 g/t Cut-off			
Resource Category	Tonnage	Au Grade	Troy Ounces
	(Mt)	(g/t)	(oz)
Indicated Resource			
LQZ – Footwall	0.28	2.14	18,900
Inferred Resource			
LQZ – Footwall	0.52	1.28	21,300
LQZHW – Hangingwall	0.15	1.32	6,200
Total	0.95	1.52	46,400

The information in this Independent Review Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, a competent person who is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Mr Castle is a consultant geologist employed by Agricola Mining Consultants Pty Ltd. Mr Castle has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC code). Mr Castle consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

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Web: www.clevelandmining.com.au



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 2004 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.



ASX Code **CDG**