

## Termination of Orinoco Toll Mining Agreement

Cleveland Mining Company (ASX: CDG) advises that it has reached agreement with fellow Brazilian gold company Orinoco Gold (ASX: OGX) to formally terminate the Toll Mining and Toll Processing agreement between the two companies in relation to Orinoco's Cascavel Gold Project.

The decision to terminate the agreement was made after taking into consideration the time required to convert the current underground extraction permit for Cascavel into an open pit extraction permit, which would be unacceptable to both Orinoco and Cleveland to allow viable economic returns from the project in an appropriate timeframe.

The Cleveland Board is of the view that, due to the limited life of the toll treatment agreement, the capital that would be required to develop Cascavel as an underground mine and the lack of resource certainty, the potential benefits flowing from the Toll Treatment agreement based on an underground mining proposition were not commensurate with the risks involved with developing the project as an underground mine at this stage.

The core competency of Cleveland's operational team in Brazil is open pit rather than underground mining and, in light of the recent successes being achieved both with the ramp-up of production and exploration at the Company's Premier Gold Mine, Cleveland is focusing on growth opportunities which deliver long-term sustainable cash flows with minimum risk.

As the Orinoco Toll Treatment agreement was limited to 50,000 tonnes of ore, a higher risk and more capital intensive underground development alternative at Cascavel was not considered to be consistent with these objectives.

Cleveland is currently in advanced discussions on alternative low-risk toll treatment options in Brazil based on open pit mining scenarios, and will update the market if and when these options materialise.

**ENDS**

### Further Information:

#### Investors:

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#### Corporate Information

Total shares: 241.3 million  
Listed options: 11.4 million  
Unlisted options: 33.2 million

#### Contact

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#### Board of Directors

Russell Scrimshaw - Non-Executive Chairman  
David Mendelawitz - Managing Director  
Rick Stroud - Non-Executive Director

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## About Cleveland Mining Company Ltd

Cleveland Mining Company Ltd is an Australian-managed, ASX-listed minerals company squarely focused on developing projects into mines.

The Company's management team has a track-record for building billion-dollar projects from the ground up, providing Cleveland with the expertise to secure and build robust projects.

Cleveland has gold and iron ore assets in Brazil in areas with excellent mining credentials:

- Mining and production are underway at Cleveland's Premier 50/50 Gold Mine JV in Goiás State in central Brazil. The Company is working to add throughput from the O Capitão project, which is less than 10km from the Premier Mine.
- Cleveland has formed a strategic alliance with ASX-listed company BC Iron Ltd (ASX: BCI) to co-acquire and co-develop new iron projects in Brazil as joint venture partners. The companies have signed binding Option Agreements with the Brazilian private company Bahmex covering multiple iron projects.

Cleveland has a different approach to project selection with project economics driving target selection. Projects are chosen according to their likelihood of generating returns at the bottom of the economic cycle.

## 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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