

2014 AGM PRESENTATION

David Mendelawitz
Managing Director

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.

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2014 Highlights

Despite the tough conditions, the Company has made significant progress in achieving its goals



New information to Market*

- **More than doubled resource in Metago pit area: from 28,000 Oz to 74,000 Oz**
- **Initial 40,000 Oz resource at O Capitão – double initial target**
- Defined **targets representing approximately 2 million ounces** of exploration prospectivity at Premier and O Capitão

Previously announced

- Achieved periods of **positive cash flows** – stabilisation expected soon
- Achieved **low mining costs** - circa \$1 per tonne
- Plant construction/ **modifications** to target throughput **99% complete**
- Generated strong value proposition for iron ore assets, despite low iron ore price

*Information contained in body of presentation

Corporate Strategy

Build a mid-tier, dividends focused, mining house “from the ground up”



- Appropriate commodities selected based on long term metrics
- Appropriate jurisdiction – low costs, huge opportunities
- Build the right team with local knowledge
- Establish economically viable production targets
- Manage transition from developer to producer
- Demonstrate stable production
- Grow based on prudent, low cost projects utilising IP developed

What we have achieved in 5 years

*From first boots on the ground to building and running a gold mine
with a highly capable local team and significant upside defined*



- Built an experienced Brazilian and Australian team, capable of;
 - Multi-lingual/ multi-cultural operations
 - Exploration, construction and production
 - Working in multiple regulatory and reporting environments
- Identified and defined resource in a world class gold belt
- Designed, licensed, financed, constructed and optimised Premier Gold mine
- Defined multi-million ounce potential targets around initial resource
- Conducted exploration over approximately a dozen other projects seeking diversity / back up alternatives, whilst waiting for lead project licensing to be completed and project to demonstrate economic viability
- Identified and secured potentially significant iron ore assets

What we have overcome in the last 12 months

Major milestones achieved in the worst market conditions for miners on record



- Re-capitalised company during a declining equities market
- Re-stabilised management into a stable, committed and motivated team
- Successful transition from contract mining to owner-miner
- Overcame delays outside Cleveland's control in importation and licensing of ILR/ Cyanide
- Successfully switched from oxide ore to sulphide ore
- Despite collapsing iron ore price the Company devised a strong value proposition for its iron ore assets

Where are we now

The base is set for a strong future



- The only micro-cap ASX listed company producing gold in Brazil
- Capable, stable management team in place
- All stages of plant development near completion
- Over 110,000 ounces in inventory
- Beginning to demonstrate ability to produce target production rate and costs with room for further improvement via addition of higher grade feed
- Head office is amortised over exploration, BC Iron Alliance and gold production oversight. Total cost including head office varies depending on other activities being undertaken. Target is circa \$600 - \$800 AISC per Oz depending on feed grade
- Defined exploration targets with prospectivity of ~2 million ounces
- Identified and pursued attractive toll treatment/expansion opportunities
- Early stages in a potentially high value iron ore/ pig iron development plan

Gold Update

Plant near complete, resource growing



- All planned modifications to gravity circuit to be completed early December
- Premier operating cost basis in line with target
- Ore-body upgrade – ounces increased by over 100% due to grade control drilling and mine scale understanding of the ore-body
- Foundation JORC resource established for O Capitão – Dona Maria
 - ***Over 110,000 ounces of JORC resources now defined at Premier and O Capitão***
- Very promising exploration results at both Premier and O Capitão
 - ***Exploration targets with potential for ~2 million ounce prospectivity defined***
- Gold pours over the last month have delivered meaningful revenue
- Grade and throughput expected to stabilise through December
- Contract flotation plant completion expected next month

Premier Production

Low cost production basis established – production ramp-up near complete



- **Costs basis**

- Site average total cost \$AU21,000 per day to run
- For this cost: site can move approximately +7,500 tonnes per day and process +800 tonnes of ore
- This is ***equivalent to a cost of 465 grams of gold per day to run the site at current \$AUD1400 (\$US1190) per ounce***

- **Production**

- Modifications have required significant daily downtime, which has reduced production rate to 400-500tpd ore
- Prior to changing the plant from wet feed to dry feed early November, grade has had to be diluted to 1.2gpt by mixing in (low grade) oxide ore as sulphide ore would not flow through plant
- Production up to 5kg per week during the process plant modification has been achieved – despite reduced throughput and reduced grade
- Head grade is now stabilizing at 2 -2.5gpt as circuit can now handle sulphide ore following transition to dry feed
- Final modification of plant (a larger pump) is ***expected first week of December to restore +800tpd rate***
- ***Expected +1000 grams per day = demonstrating ability to generate 50% operating margins***
- Contract flotation plant expected to come on line late December to provide further recovery gains
- Final targeted output circa 2000 grams per day (post flotation and addition of higher grade feed from Lavra project: O Capitão)

Resources

Over 110,000 ounces now defined across Premier and O Capitão



Premier

JORC Resource Category	Tonnes	Grade (gpt)	Contained Ounces Gold
Indicated	440,730	2.18	30,912
Inferred	833,437	1.63	43,544
Indicated + Inferred	1,274,167	1.82	74,455

O Capitão

JORC Resource Category	Tonnes	Grade (gpt Au)*	Contained Ounces Gold
Indicated	904,522	1.07	31,158
Inferred	226,804	1.19	8,709
Indicated + Inferred	1,131,326	1.10	39,867

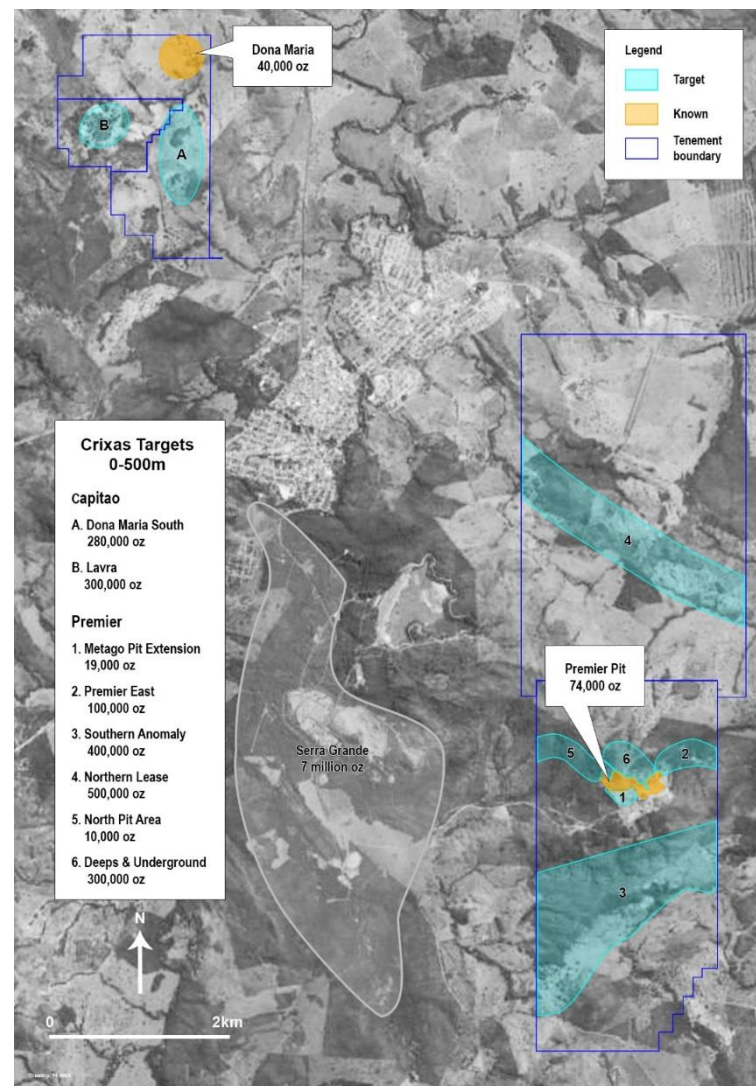
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- Dona Maria is a poly-metallic ore-body. The figures above do not include any credits gained from other minerals that could be captured utilising the soon to be commissioned flotation plant
 - Multi-element assaying is required before other contained minerals can be attributed to this resource
 - Further data on these resources is found on the final page of this presentation

Premier Exploration Targets



Priority	Map Reference	Target	Number of Meters Diamond Drilling	Number of Meters RC Drilling	Drilling Months #	Comments	Target Au (Ounces) CONCEPTUAL
1	1	Metago Pit Extension		700	1	Close to mill, ore-body extension, low stripping	20,000
2	2	Premier East	1000	1000	3	Close to mill, low risk, ore-body extension, near surface	100,000
3	A	Dona Maria South	2000	5000	5	Low risk, ore-body extension, bulk mining potential, near surface	280,000
4	3	Southern Anomaly	500	500	2	Very large potential	400,000
5	B	Lavra		3000	2	High grade, near surface	300,000
6	4	Northern Lease	3700		7	Large potential	500,000
7	5	North Pit Area	1000	3500	2	Low risk, ore-body extension, near mill	10,000
8	6	Deeps and Underground	2000	10000	5	Low risk, ore-body extension	300,000
Total			10,200	23,700	27		1,910,000

- Drilling months presume all programs run one after another. Progress can be sped up if multiple rigs are used
- The potential quantity and grade is of conceptual nature. It is uncertain whether further exploration will result in the estimation further Mineral Resources
- The drill meters expressed above are both subject to variation and will not be sufficient to turn all of the targets into Mineral Resources, but in some case, such as the Southern Anomaly, are only intended to outline boundaries and proof of concept
- Target grade 0 – 4gpt Au. Target ounces range from 0 to Target ounces listed above

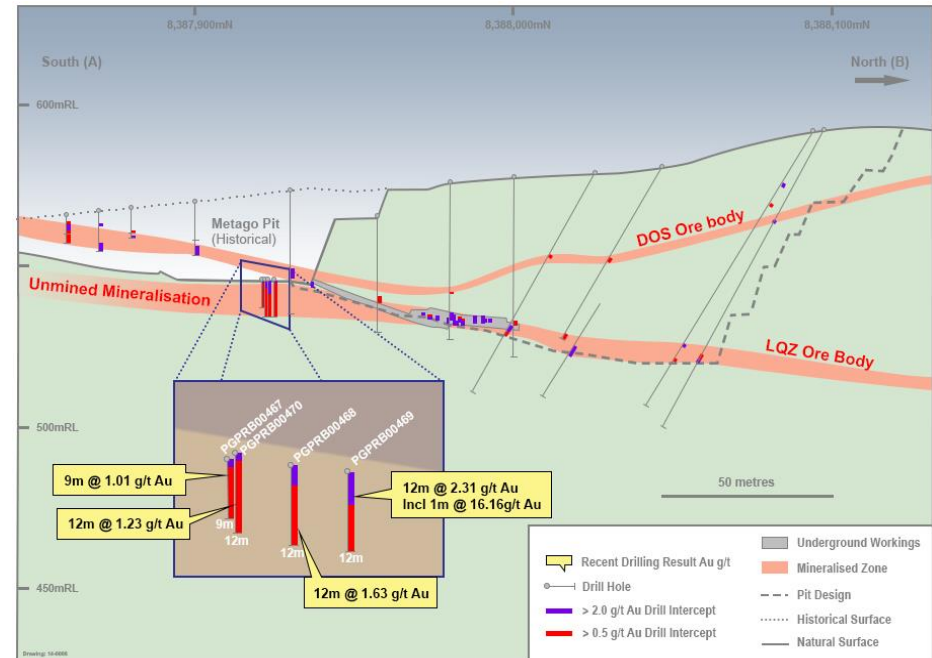
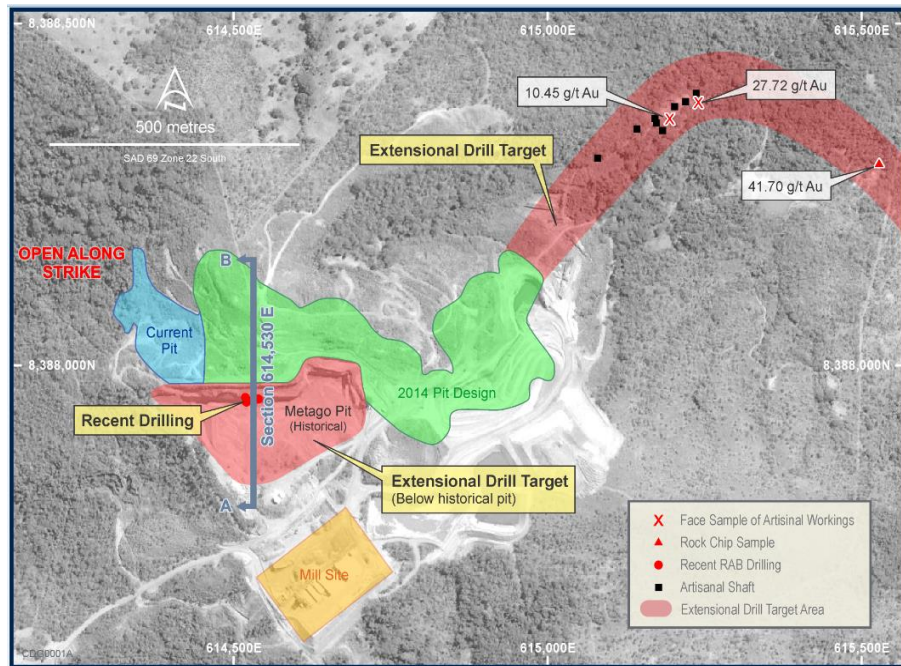


Premier Ore-body Extensions

Immediate targets for mine life growth



- Drilling has shown the continuation of the ore-body both under the historic Metago pit
- Drilling, mapping, sampling and historic artisanal miners shafts demonstrate mineralisation continues along strike to the east

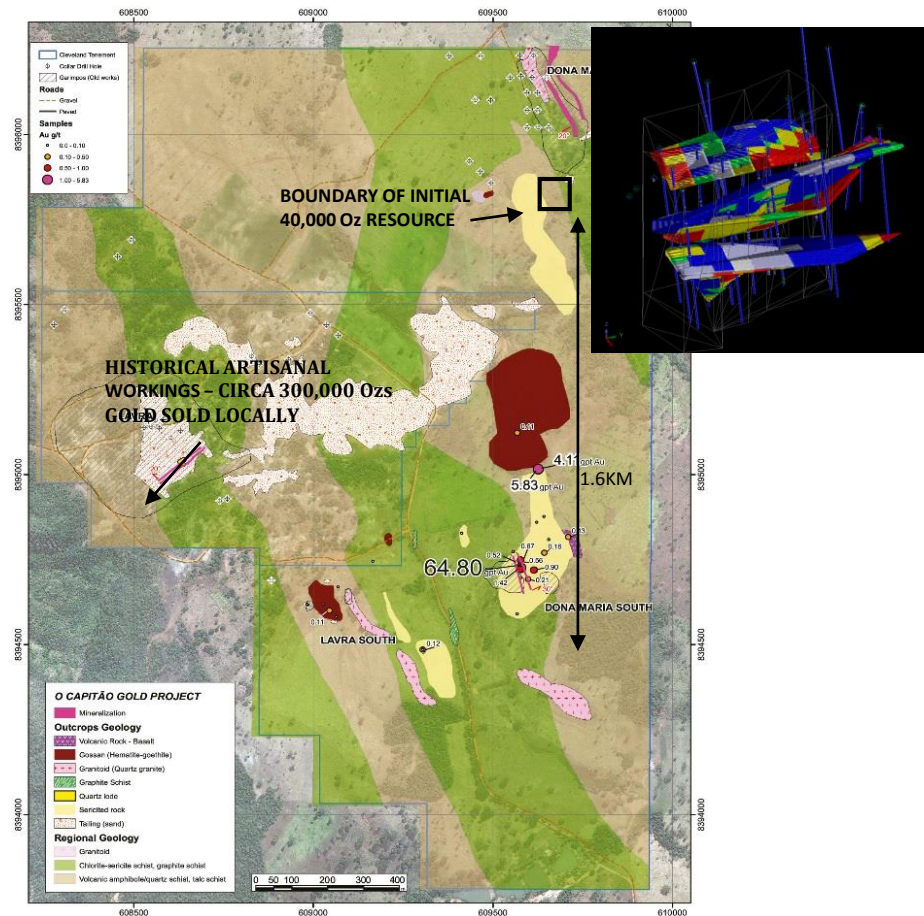
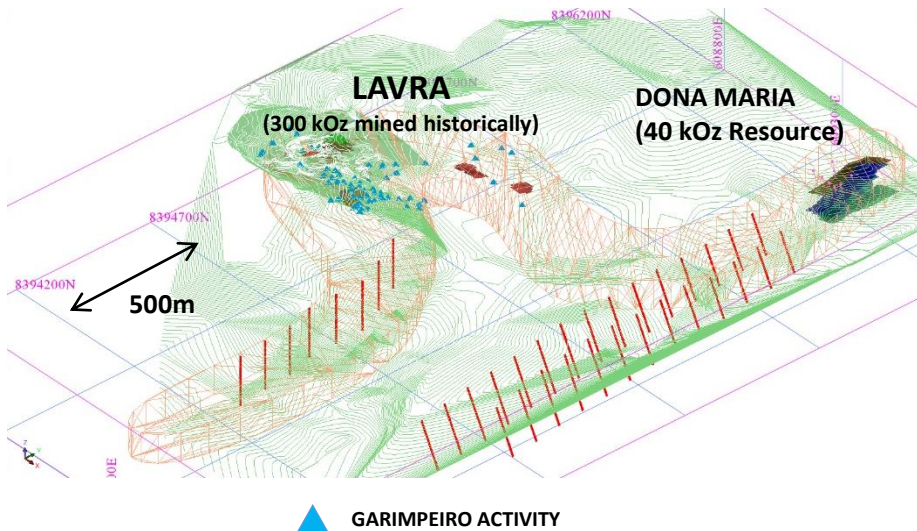


O Capitão

Dona Maria and Lavra – initial targets for production rate increase



- High grade ore at Lavra near surface
- Company planning initial bulk sampling due to unknown artisanal miner activity



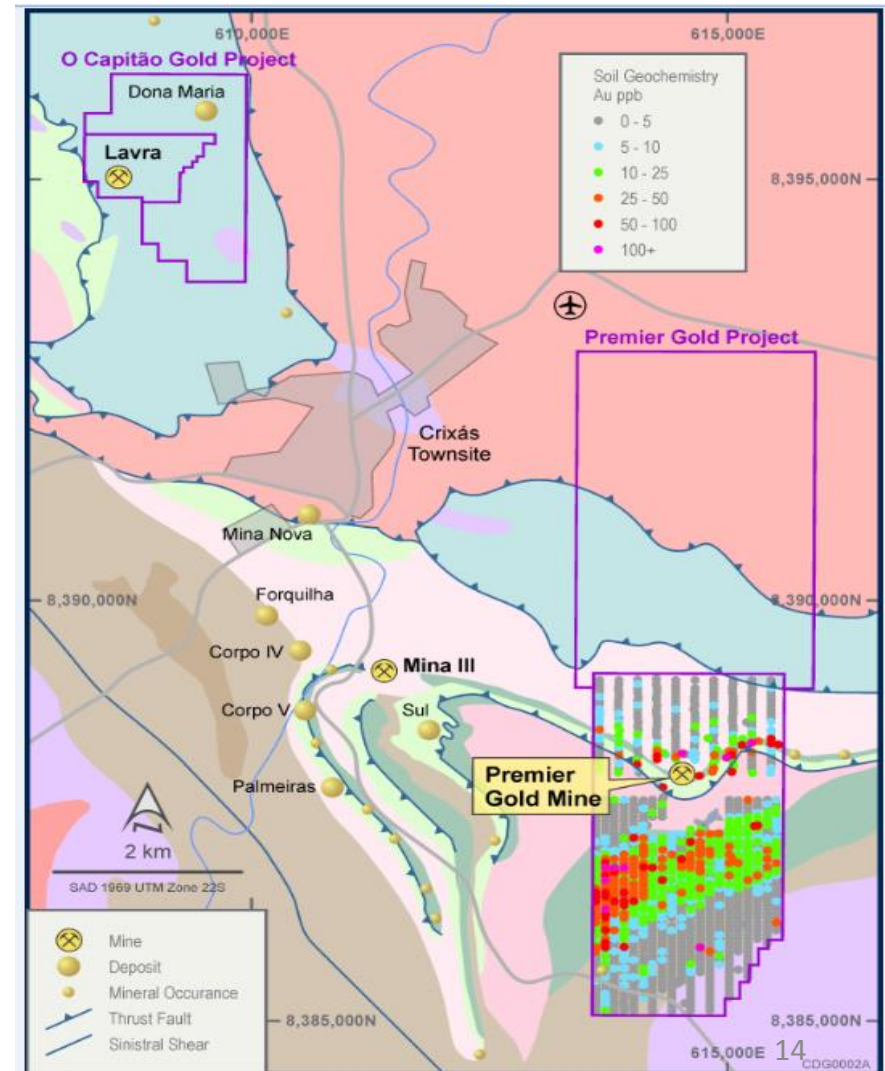
- Initial 40,000 ounce deposit defined at Dona Maria
- +1.5km strike potential
- Open in all directions

Southern Anomaly

The obvious big target



- Very large gold-in-soil anomaly
- Co-incidental VTEM geophysical anomaly produced by graphitic schist and pyrrhotite
- Up to 450m of graphitic schist in initial drill holes – same host rock and structures and Premier and Serra Grande
- Visible gold recently discovered at surface within the unit
- Aligns with Serra Grande's main (+3 million ounce) deposit

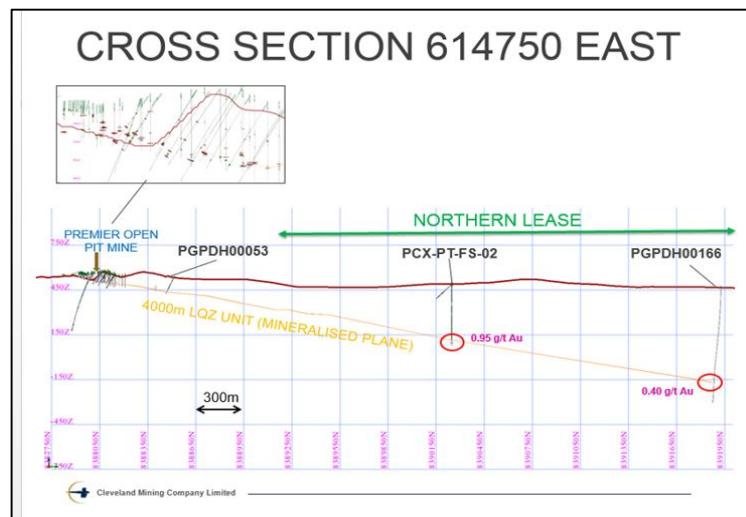
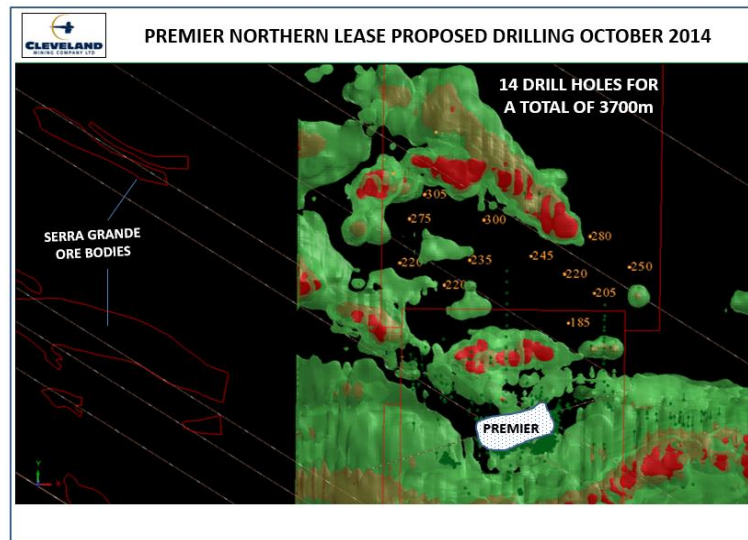


Northern Lease Target

Significant potential at depth



- Drilling and geophysics demonstrate that the host rock continues at depth, with low grade mineralisation indicating that holes were close to the target structures (as host rock is barren expect near mineralised structures)
- The northern targets align with Serra Grande ore-bodies and mineralised structures that can be traced over 10km to O Capitão
- Target depths of around 300m – priority status due to tenement life and significant potential



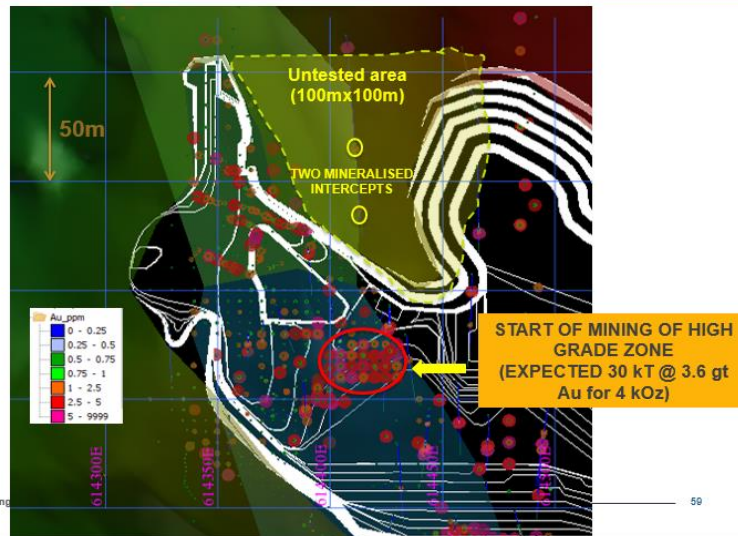
The Northern Pit Target

100m x 100m untested area next to current mining

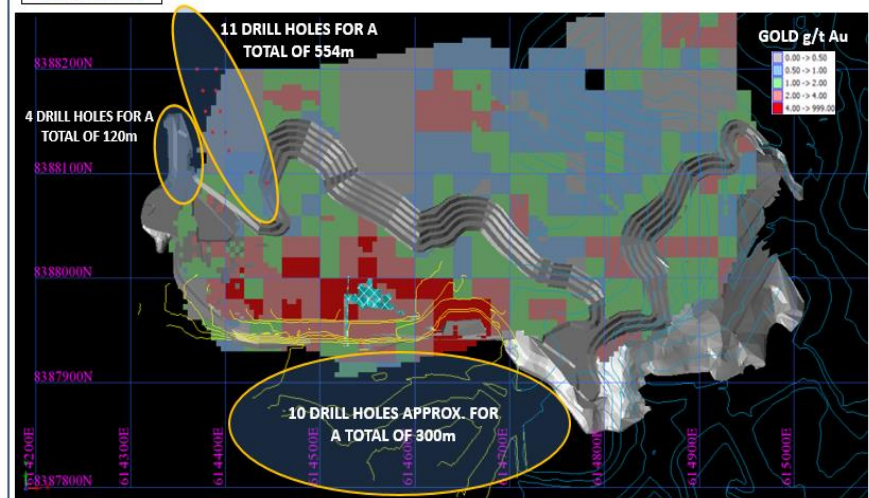


- Extensional target, next to current mining
- Potential for 10,000 ounces to add to current pit
- Minimal drilling required

PREMIER MINE NORTHERN END OF PIT UNTESTED AREA (PLAN VIEW)



PREMIER MINE NORTH PIT AREA DRILLING OCTOBER 2014

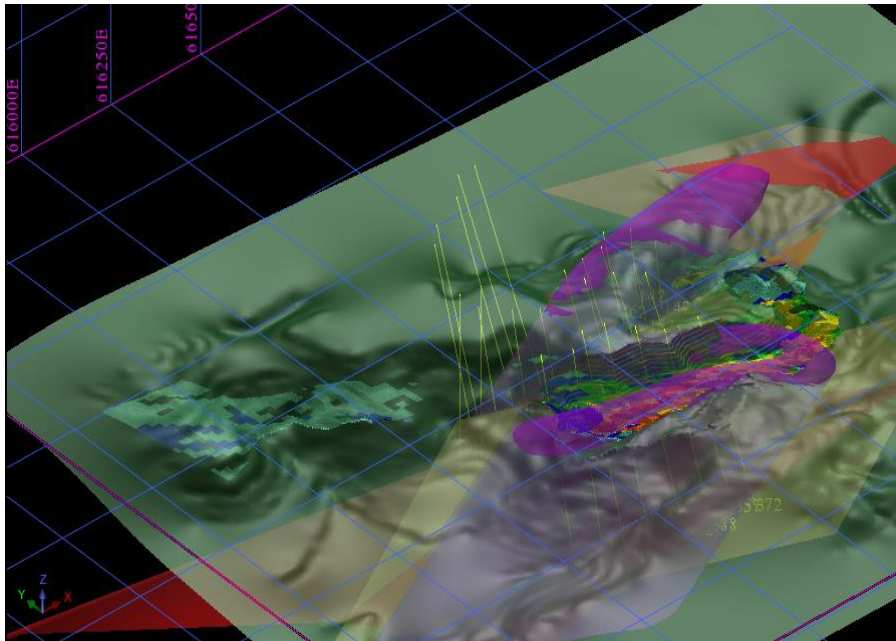


Premier Underground Extensions

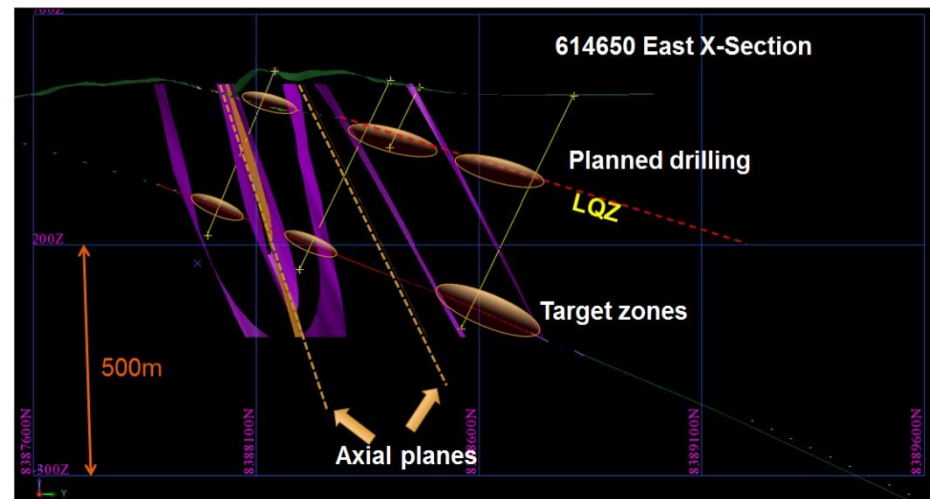
Continuing Premier to the North



- Ore-body extensional targets
- Strip ratio would require underground mining
- Company focused on open pit mining for as long as possible



REGIONAL EXPLORATION PREMIER – PLANNED DRILLING OF FOLD STRUCTURE



What we are doing next

Stabilise the cash-flows, grow the resource



- Demonstrate consistent production and positive cash-flows
- Premier to add plant redundancy to maintain and potentially boost levels
- Near-mine resource development – numerous priority targets defined
- Treatment of high-grade ore from Lavra (O Capitão)
- Expansion of Dona Maria (O Capitão), followed by mine design
- Toll treatment of concentrate from third-party sources
- Consideration of plant expansion in line with resource upgrades
 - Next target would be to double production target to circa 40,000 ounces per annum once 200 – 250,000 ounces defined between Premier and O Capitão
 - Expect production uplift would come from putting on a separate circuit at Premier to process Dona Maria ore and feed Lavra ore into current circuit with Premier ore

Iron Update

Focused on value adding through pig-iron production



- Bahia project has demonstrated consistent mineralisation 30m thick, down to 140m depth, 2.2km along strike
- Preliminary metallurgical test-work demonstrates that a high quality concentrate can be produced at a coarse grind size
- High level studies indicate that a very strong economic return can be generated by building a small integrated pig-iron production facility
- Currently ongoing field work at Minas Novas has confirmed the continuity of the iron mineralisation with around 40m of thickness presented at outcrop.
- Similar economics apply to pig iron manufacturing in Minas Novas
- Current depression in iron ore prices strengthens pig-iron metrics, as potentially provides the ability to buy low cost lump to add to a blast furnace if built
- Currently reviewing options for “spinning out” iron assets to remain focused, provide access to funds and produce better shareholder value

Summary & Outlook

Its been a difficult journey, but our target is close



- Demonstrating consistent low costs
- Starting to generate meaningful production and expected to stabilise over the next month and translate into target profitability
- Further enhancements and production growth expected with the commissioning of the flotation plant
- Key exploration breakthroughs achieved this year with more to come
- Expected further resource growth at Premier and O Capitão
- Expanding horizons via toll-treatment and strategic alliances
- Strategy to unlock value of iron assets
- Ingredients in place for 2015 to be a game-changing year for Cleveland

Resources

Over 110,000 JORC indicated and inferred ounces defined at Premier and Dona Maria



Premier

Circa **74,000 ounces** and open in all directions

Gold Range	Classification	Volume	Tonnes	Gold	Grams	Ounces
0.3 -> 0.5	INFERRED	45,326	122,912	0.39	47,690	1,533
0.5 -> 1.8	INFERRED	168,519	470,147	1.05	491,304	15,796
1.8 -> 9999.0	INFERRED	88,675	240,378	3.39	815,362	26,215
		302,520	833,437	1.63	1,354,356	43,544

Gold Range	Classification	Volume	Tonnes	Gold	Grams	Ounces
0.3 -> 0.5	INDICATED	5,780	13,828	0.41	5,725	184
0.5 -> 1.8	INDICATED	71,499	194,371	1.21	234,411	7,537
1.8 -> 9999.0	INDICATED	84,296	228,600	3.11	711,632	22,879
		161,575	436,799	2.18	951,768	30,600

Gold Range	Classification	Volume	Tonnes	Gold	Grams	Ounces
0.3 -> 0.5	TOTAL	51,106	136,740	0.39	53,415	1,717
0.5 -> 1.8	TOTAL	240,018	664,518	1.09	725,715	23,332
1.8 -> 9999.0	TOTAL	172,971	468,978	3.26	1,526,994	49,094
	GRAND TOTAL	464,095	1,270,236	1.82	2,306,124	74,144

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.

Resources included in this report were either calculated by or reviewed by Mr Jonathan Sharp BSc. MSc. (Hons), who is a Member of the Australasian Institute of Mining and Metallurgy, and the Manager of Mineral Resources for the Company. Mr Sharp has over 20 years of Mining experience in a variety of mineral deposit styles and 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 Sharp consents to the information in this report being used and quoted by the company for reporting and other purposes in the context in which it appears.

O Capitão – Dona Maria

Circa **40,000 ounces** and open in all directions

Gold - INFERRED	Volume	Tonnes	Gold Grade (gpt)	Grams	Ounces	Bulk Density
0.5 -> 0.8	39,545	109,562	0.65	71,215	2,290	2.771
0.8 -> 1.0	13,297	36,575	0.91	33,283	1,070	2.751
1.0 -> 5.0	27,627	77,353	1.83	141,556	4,551	2.8
5.0 -> 10.0	727	2,034	5.91	12,021	386	2.8
10.0 -> 999.0	457	1,280	10	12,800	412	2.8
	81,653	226,804	1.19	270,875	8,709	
Gold - INDICATED	Volume	Tonnes	Gold	Grams	Ounces	Bulk Density
0.5 -> 0.8	146,404	406,892	0.67	272,618	8,765	2.779
0.8 -> 1.0	54,628	151,417	0.9	136,275	4,381	2.772
1.0 -> 5.0	123,992	342,608	1.55	531,042	17,073	2.763
5.0 -> 10.0	826	2,133	6.78	14,462	465	2.582
10.0 -> 999.0	527	1,472	10	14,720	473	2.792
	326,377	904,522	1.07	969,117	31,158	
Gold - TOTAL	Volume	Tonnes	Gold	Grams	Ounces	Bulk Density
0.5 -> 0.8	185,949	516,454	0.67	343,833	11,054	
0.8 -> 1.0	67,925	187,992	0.9	169,559	5,451	
1.0 -> 5.0	151,619	419,961	1.6	672,598	21,625	
5.0 -> 10.0	1,553	4,167	6.36	26,483	851	
10.0 -> 999.0	984	2,752	10	27,520	885	
	408,030	1,131,326	1.1	1,239,993	39,867	