

Cleveland Mining Company Limited

ABN 85 122 711 880

PROSPECTUS

For the offer to raise up to \$500,000 through the issue of up to 12,500,000 Shares at an issue price of \$0.04 each, with each Eligible Shareholder able to apply for up to \$15,000 (375,000 Shares) (SPP Offer).

Completion of the SPP Offer is conditional on Shareholder approvals necessary to complete the SPP Offer being obtained at the Company's annual general meeting being held on or around 5 February 2016.

The SPP Offer is partially underwritten by the Underwriters for a total amount of \$400,000.

THE SPP OFFER CLOSING AT 5.00PM WST ON 29 January 2016.

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the SPP Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

CORPORATE DIRECTORY

Directors and Proposed Director

Mr Wayne Zekulich (Acting Non Exec. Chairman)
Mr David Mendelawitz (Managing Director)
Mr Richard Stroud (Non Exec. Director)
Mr Alex Sundich (Proposed Non Exec. Director)
Mr Glenn Simpson (Proposed Non Exec. Director)

Company Secretary

Mr Albert Longo

Business Address

Suite 1, 41 Walters Drive,
Osborne Park WA 6017

Telephone: (08) 6389 6000

Registered and Corporate Office

Suite 1, 41 Walters Drive
Osborne Park WA 6017

Telephone: (08) 6389 6000

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

Telephone: (08) 1300 787 272

Stock Exchange Listing

Australian Securities Exchange
ASX Code for Shares: CDG

Underwriters

Scrimshaw Nominees Pty Ltd ATF Scrimshaw
Family Trust
39 Prince Albert Street
Mosman NSW 2088

Mr Navinderjeet Singh
5th Floor, West Wing, Quattro West, 4 Lorong
Persiaran Barat, Petaling Jaya, Malaysia

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

CONTENTS

Section	Description	Page No
	Important Notices	3
	Proposed Timetable	4
1	Details of the SPP Offer	5
2	Action required by Shareholders	14
3	Risk Factors	16
4	Effect of the Placement and SPP Offer	22
5	Additional Information	25
6	Authorisation	33
7	Glossary of Terms	34

IMPORTANT NOTICES

This Prospectus is dated 23 December 2015 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 1, 41 Walters Drive Osborne Park WA 6017, Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.4).

A copy of this Prospectus can be downloaded from the Company's website at www.clevelandmining.com.au. If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Applications for Shares pursuant to the SPP Offer can only be made on an original Application Form sent with this Prospectus. The Application Form sets out the parcels of Shares that an Eligible Shareholder is entitled to apply for under the SPP Offer.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the SPP Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the SPP Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia or New Zealand.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

PROPOSED TIMETABLE

Record Date to determine entitlements to participate in the SPP Offer	5pm (WST), 9 December 2015
Lodgement of Prospectus with ASIC and ASX	23 December 2015
Anticipated date for the issue of the Shares pursuant to the first tranche of the Placement	24 December 2015
Prospectus and Application Form sent to Eligible Shareholders	29 December 2015
Opening Date	29 December 2015
Anticipated date Notice of Meeting dispatched to Shareholders	29 December 2015
Closing Date*	29 January 2016
Announcement of take up and any scale back under the SPP Offer**	29 January 2016
General Meeting of Shareholders to approve the SPP Offer**	5 February 2016
Anticipated date for the issue of the Shares pursuant to the SPP Offer and second tranche of the Placement**	8 February 2016
Anticipated date on which holding statements under the SPP Offer are sent to Shareholders**	10 February 2016

* Subject to the Listing Rules, the Directors reserve the right to bring forward or extend the Closing Date for the SPP Offer. Any change to the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

** Indicative date only.

1. Details of the Offers

1.1 The SPP Offer

The Company is making an offer pursuant to this Prospectus of up to 12,500,000 shares at an issue price of \$0.04 each to Eligible Shareholders to raise up to a maximum value of \$500,000 before costs, with each Eligible Shareholder entitled to apply for up to \$15,000 worth of Shares (being 375,000 Shares) pursuant to a share purchase plan (**SPP Offer**).

Completion of the SPP Offer is conditional on the Shareholder approvals necessary to complete the SPP Offer being obtained at the Company's annual general meeting to be held on or about 5 Feb 2016 (**Shareholder Meeting**).

If Shareholder approvals are not obtained, the Company will not proceed with the SPP Offer.

Participation in the SPP Offer is optional and is subject to the terms and conditions in this Prospectus.

Eligible Shareholders are those Shareholders with a registered address in Australia or New Zealand as at the Record Date (being 5:00pm (WST) on 9 December 2015).

All of the Shares offered under the SPP Offer will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 5.1 for a summary of the rights and liabilities attaching to the Shares.

1.2 Shortfall Offer

In the event the SPP Offer is not fully subscribed, those Shares that are not applied for and issued will form the Shortfall Offer. Shares issued under the Shortfall Offer will be issued at the same issue price as under the SPP Offer (\$0.04 per Share).

Confirmation of the quantities of Shares to be offered under the Shortfall Offer (if any) will be made following completion of the SPP Offer.

The offer of any Shortfall Shares is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date of the SPP Offer.

As with the SPP Offer, all of the Shares offered under the Shortfall Offer will rank equally with Shares on issue at the date of this Prospectus.

Eligible Shareholders are invited by the Company to apply for Shortfall Shares. Persons who wish to participate in the Shortfall who are not Eligible Shareholders must complete a Shortfall Application Form provided by the Company or the Underwriters and return it, together with application monies for the value of those Shortfall Shares to the Company.

The Shortfall shall be placed at the discretion of the Company and the Underwriters (in consultation with the Company).

The Company (and the Underwriters) reserves the right to allot to an applicant a lesser number of Shortfall Shares than the number for which the applicant applies, or to reject an application for Shortfall Shares.

1.3 Partial Underwriting

The SPP Offer is to be partially underwritten by the Underwriters for an aggregate amount of \$400,000. Mr Navinderjeet Singh (**Mr Singh**) has agreed to underwrite up to \$300,000 of the SPP Offer (7,500,000 Shares). Mr Singh and his associates do not currently hold any relevant interest in Shares in the Company, but he has agreed to subscribe for 7,500,000 Shares under the Placement (refer to Section 1.6) in addition to his underwriting commitment. Assuming no Shareholders subscribe for the SPP Offer and Mr Singh subscribes for 7,500,000 Shares under the Placement in addition to his underwriting commitment and underwriting fees of 1,000,000 Shares, the voting power of Mr Singh and his associates will increase to 2.98%.

Scrimshaw Nominees Pty Ltd ATF the Scrimshaw Family Trust (**Scrimshaw Nominees**) has agreed to underwrite up to \$100,000 of the SPP Offer (2,500,000 Shares). Scrimshaw Nominees is controlled by Mr Russell Scrimshaw, who resigned as a director of the Company on 20 October 2015 and is therefore considered to be a related party of the Company until 20 April 2016. The Company is seeking shareholder approval for Scrimshaw Nominees to underwrite \$100,000 of the SPP Offer at the Shareholder Meeting.

Scrimshaw Nominees and its associates currently have voting power in the Company of 1.2% and it has agreed to subscribe for 2,500,000 Shares under the Placement. Assuming no Shareholders subscribe for the SPP Offer and Scrimshaw Nominees subscribes for 2,500,000 Shares under the Placement in addition to his underwriting commitment and the underwriting fee of 333,000 Shares, the voting power of Scrimshaw Nominees and its associates will increase to 2.04%.

Subject to shareholder approval, which is being sought at the Shareholder Meeting, the Company has agreed to issue Mr Singh 1,000,000 Shares and Scrimshaw Nominees 333,000 Shares in consideration for them agreeing to partially underwrite the SPP Offer.

The material terms of the underwriting agreements are summarised in Section 5.2 of this Prospectus.

1.4 Additional placement to Underwriters

In the event there is insufficient Shortfall Shares for the Underwriters to subscribe for the full amount they have agreed to underwrite, the Company has agreed, if requested by the Underwriters and subject to Shareholder approval at the Shareholder Meeting, to issue the Underwriters with additional Shares at an issue price of \$0.04 each up to the maximum value of their underwriting commitment.

Therefore, assuming the SPP Offer is fully subscribed by Eligible Shareholders, Mr Singh may be issued up to 7,500,000 Shares and Scrimshaw Nominees may be issued up to 2,500,000 Shares).

1.5 Cleansing Offer

This Prospectus also contains an offer of up to one Share, which shall open on the date of this Prospectus and remain open after the closing date of the SPP Offer, until such date as determined by the Board (**Cleansing Offer**).

The Cleansing Offer is only made to unrelated persons nominated by the Company. Applications must be made using the Application Form provided by the Company. To the maximum extent permitted by law, the Directors will have discretion over which applications for the Cleansing Offer to accept.

The rights and liabilities of the Share offered under the Cleansing Offer are summarised at Section 5.1.

The terms as to the SPP Offer set out in this Prospectus as to application monies, quotation on ASX and use of funds raised apply to the Cleansing Offer.

1.6 Use of Prospectus for SPP Offer

The Company announced on 10 December 2015 it had agreed to a placement of Shares at an issue price of \$0.04 each to raise up to approximately \$1,628,876 before costs (**Placement**).

The Shares under the Placement are to be issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act or other investors who can be issued shares without disclosure under the Corporations Act.

The first tranche of the Placement, comprising 33,221,900 Shares to raise \$1,328,876 before costs, is to be issued on the date of this Prospectus using the Company's placement capacity under ASX Listing Rule 7.1. The second tranche of the Placement, comprising 7,500,000 Shares to raise \$300,000 before costs, is to be issued following Shareholder approval which is being sought at the Shareholder Meeting.

The Company has decided to make the SPP Offer to allow Eligible Shareholders to acquire Shares at the same price as the Placement.

As a result of the Company's Shares being suspended from trading on the ASX for more than 5 days in the last 12 months, the Company:

- (a) can only make the SPP Offer under a prospectus; and
- (b) must lodge a prospectus offer for Shares to be issued under the Placement to be freely tradeable within 12 months of issue (as the Company cannot issue a cleansing notice for the on-sale of the Shares to be issued under the Placement under section 708A(5) of the Corporations Act).

Completion of the SPP Offer is conditional on Shareholder approval at the Shareholder Meeting. If Shareholder approvals are not obtained, the Company will not proceed with the SPP Offer and will return to applicants all application monies submitted, without interest.

1.7 Use of Company Funds

Completion of the issue of Shares offered by this Prospectus pursuant to the SPP Offer will result in an increase in the cash on hand of up to approximately \$500,000 (before payment of SPP Offer costs) which when coupled with the Placement funds of \$1,628,876 (before payment costs) will result in the Company raising an additional \$2,028,876 (before payment of costs).

The total funds of the Company, including the funds raised under the SPP Offer and Placement, are proposed to be expended as follows:

Description	\$A
1. Cash as at 30 November 2015 (Unaudited)	163,493
2. Maximum funds raised pursuant to Placement (before costs)	1,628,876

3. Maximum funds raised under the SPP Offer (before costs)	500,000 ⁽¹⁾
Total cash as at the date of this Prospectus and funds raised under the Placement and SPP Offer	2,292,369
1. Costs of the Placement	81,444
2. Costs of the SPP Offer ⁽²⁾	41,500
3. Finalise permitting to prepare the O Capitão Lavra site for mining	150,000
4. Finalise the installation of a second ball mill at the Premier Gold Mine	400,000
5. Increase the reliability and capacity of process water supply at Premier Gold Mine	250,000
6. Undertake process plant optimisation reviews at Premier Gold Mine	50,000
7. Upgrade flotation capacity at Premier Gold Mine	150,000
8. Corporate creditor repayments	350,000
9. Working Capital	819,425
Total use of funds	2,292,369

(1) This amount is the maximum raised under the SPP Offer. The Company has agreed with the Underwriters that, to the extent the SPP Offer and Shortfall Offer are subscribed such that the Underwriters are unable to take up their fully underwritten amount, the Company will, if requested by the Underwriters, issue them additional Shares to allow them to take up their full underwritten amount. If the SPP Offer is fully subscribed, the Company will, if requested by the Underwriters, issue to the Underwriters up to a further 10,000,000 Shares at \$0.04 each to raise up to an additional \$400,000. Any additional amount will be used towards working capital of the Company.

If the Company raises less than full subscription under the SPP Offer, the Company will proportionately reduce the amount applied to increase the reliability and capacity of process water supply at Premier Gold Mine and to upgrade flotation capacity at Premier Gold Mine.

(2) The costs of the SPP Offer include legal, ASIC, ASX, handling fees and register costs as highlighted in section 5.8. The Company has also agreed, subject to Shareholder approval, to issue 1,000,000 Shares to Mr Singh and 333,000 Shares to Scrimshaw Nominees in consideration for their agreement to partially underwrite the SPP Offer.

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the amount raised under the SPP Offer, the development and expansion of existing and new technologies, and other factors (including the risk factors outlined in Section 3).

1.8 Opening and Closing Dates

The Company will accept Application Forms from the Opening Date, being 29 December 2015, until 5.00pm WST on the Closing Date, being 29 January 2016 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.9 Shareholder Eligibility to participate in SPP Offer

Participation in the SPP Offer is open to each person registered as a holder of Shares on the Record Date, being 5pm (WST) on 9 December 2015, who has a registered address in Australia or New Zealand (**Eligible Shareholders**).

Trustees and nominees are able to apply for one maximum parcel of Shares under the SPP Offer for each beneficiary. Refer to Section 1.24 for further details.

1.10 Parcels of Shares

Regardless of the number of Shares you currently own, you are entitled to apply for a parcel of Shares in the Company valued at:

- (a) \$2,000.00 (50,000 Shares);
- (b) \$5,000.00 (125,000 Shares);
- (c) \$10,000.00 (250,000 Shares); or
- (d) \$15,000.00 (375,000 Shares).

Each Eligible Shareholder may only apply for one of these parcels.

1.11 Scale Back

The Company does not intend to raise more than \$500,000 under the SPP Offer. If applications for more than \$500,000 are received, the Company intends to scale back applications equally on a pro-rata basis.

If the Company scales-back an Application or purported application, the Company will promptly return to the Shareholder the relevant Application Monies, without interest.

1.12 Application Form

Subject to any scale back in accordance with Section 1.11, acceptance of a completed Application Form or BPAY payment by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares applied for. The Application Form does not need to be signed to be a binding acceptance of Shares.

Applications and payments may not be withdrawn once the Company has received them. Oversubscriptions or refunds of other Application Monies in any circumstances will be without interest.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance of an Application Form as valid and how to construe, amend or complete the Application Form, is final.

Applications will not be accepted after the Closing Date.

The Company (in conjunction with the Underwriters) reserves the right to reject any Application where it believes there is non-compliance with any terms or conditions of the SPP Offer. By applying for Shares under the SPP Offer, you will have agreed to be bound by the terms and conditions of the SPP Offer as set out in this Prospectus.

1.13 Issue

All Shares offered by this Prospectus are expected to be issued, and security holder statements sent, on or before the date specified in the timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.14 Application Monies

All Application Monies received for the Shares under the SPP Offer will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to the SPP Offer under this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued. In particular, if Shareholder approval of the SPP Offer is not obtained, all Application Monies will be returned (without interest).

1.15 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for the official quotation of the Shares offered under the SPP Offer and the Cleansing Offer. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.16 CHESS

The Company participates in the Clearing House Electronic Sub register System, known as CHESS. ASX Settlement Pty Ltd, a subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Ltd will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub register, your statement will be dispatched by Computershare Investor Services Pty Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holding changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

1.17 Overseas Shareholders

Due to foreign security laws, it is not practical for Shareholders whose registered address is outside Australia or New Zealand to participate under the SPP Offer.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand. Where the Prospectus has been sent to Shareholders domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by the Prospectus, the Prospectus is provided for information purposes only.

The SPP Offer is being made in New Zealand in reliance on the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. This document is not a prospectus or investment statement under New Zealand law and has not been registered or filed with, or approved by, any New Zealand regulatory authority under or in accordance with the New Zealand Securities Act 1978 or any other relevant law in New Zealand. This document may not contain all the information that an investment statement, or a prospectus under New Zealand law is required to contain.

1.18 Modification and termination of the SPP Offer and Dispute Resolution

The Company may modify or terminate the SPP Offer at any time including closing the SPP Offer early.

The Company will notify ASX of any modification to, or termination of, the SPP Offer. The omission to give notice of any modification to, or termination of, the SPP Offer or the failure of ASX to receive such notice will not invalidate the modification or termination.

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP Offer, whether generally or in relation to any participant or application, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of the terms and conditions of this Prospectus. The powers of the Company under this Prospectus may be exercised by the Directors or any delegate of the Directors.

1.19 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 3.

1.20 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.21 Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.clevelandmining.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please phone the Company on +61 8 9223 2292

and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.ramresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.22 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2015 is in the Annual Financial Report which was lodged with ASX on 16 December 2015.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the SPP Offer.

1.23 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.24 Note for custodians, trustees and nominees

If you are an Eligible Shareholder and hold the Shares as a custodian (as defined in ASIC Class Order [CO 09/425]) (**Custodian**), you may apply for up to \$15,000 for each beneficiary for whom you act as custodian provided you annex to your SPP Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- (a) that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you to apply for Shares under the SPP Offer on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;

- (e) that the application price for Shares applied under the SPP Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP Offer referred to in this Prospectus in the prior 12 months does not exceed \$15,000;
- (f) that a copy of the written offer document was given to each beneficiary; and
- (g) where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of this SPP Offer, and consistent with ASIC Class Order [CO 09/425] you are a 'Custodian' if you are a registered holder that:

- (a) holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- (b) is exempt from holding an Australian financial services licence by virtue of ASIC Class Order [CO 03/184] or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001(Cth);
- (c) is a trustee of a self managed superannuation fund;
- (d) is a trustee of superannuation master trusts;
- (e) is a responsible entity of IDPS like schemes; or
- (f) is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's Share Registry at any time from 8.30am to 5.00pm (WST) Monday to Friday during the SPP Offer period.

The Company reserves the right to reject any application for Securities under the SPP Offer to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

1.25 Enquiries concerning Prospectus

Enquiries concerning the Application Form can be obtained by contacting Computershare Investor Services Pty Limited by telephone on +61 1300 787 272.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (08) 6389 6000.

If you have any other questions regarding the SPP Offer or Cleansing Offer, please contact your professional advisor or stockbroker.

2. Action required by Shareholders

2.1 Application for Shares under the SPP Offer

Eligible Shareholders may apply to purchase a parcel of Shares under the SPP Offer valued at any one of:

- (a) \$2,000.00 (50,000 Shares);
- (b) \$5,000.00 (125,000 Shares);
- (c) \$10,000.00 (250,000 Shares); or
- (d) \$15,000.00 (375,000 Shares).

Each Eligible Shareholder may only apply for one of these parcels.

Should you wish to participate in the SPP Offer, then applications for Shares under this Prospectus may be made:

- (a) on the personalised Application Form which accompanies this Prospectus;
- (b) or by completing a BPAY® payment,

in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Should you wish to make application via the personalised Application Form, please complete the Application Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Application Form.

If you wish to pay via BPAY® you must follow the instructions in the Application Form and quote your personalised reference number that has been provided on the personalised Application Form. You will be deemed to have applied for Shares upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Application Form. If you elect to pay via BPAY® then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to **"Cleveland Mining Company Limited – Subscription Account"** and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By delivery Computershare investors Services Pty Limited
Level 11,172 St Georges Terrace Perth WA 6000

By Post Computershare investors Services Pty Limited
GPO Box D182, Perth W A 6840

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.2 SPP Offer Certifications

By returning the Application Form or by making the BPAY payment you are deemed to have given the Company the certifications in the Application Form.

2.3 No application

If you do not wish to apply for any Shares pursuant to the SPP Offer, you are not obliged to do anything.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to apply for any Shares pursuant to the SPP Offer.

2.4 Enquiries concerning the SPP Offer

Enquiries concerning the Application Form can be obtained by contacting Computershare Investor Services Pty Limited by telephone on +61 1300 787 272.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (08) 6389 6000.

If you have any other questions regarding the SPP Offer or Cleansing Offer, please contact your professional advisor or stockbroker.

3. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

Shareholders are advised that the Shares offered under this Prospectus are considered highly speculative.

The principal risks include, but are not limited to, the following:

3.2 Risks specific to the Company

(a) **Failure to Complete the SPP Offer**

Completion of the SPP Offer is subject to Shareholder approval of the SPP Offer.

There is a risk that Shareholder approval will not be obtained and that the SPP Offer will therefore not be completed.

(b) **Going Concern**

The net current liability position of the Company as at 30 June 2015 was \$23,301,919 (2014: \$824,184) primarily as a result of borrowings (including principal amounts and accrued interest) of \$18,957,501 which are due for repayment within 12 months from the reporting date, combined with trade and other payables of \$5,440,630. As at 30 June 2015, all of the Company group's borrowings, except for the royalty-backed notes, were in default.

The Company continues to optimise mining and processing of gold ore at the Company's Premier Gold Mine. Challenges experienced in achieving a reliable water supply to the processing facility and feed grade dilution resulted in lower than anticipated gold production and cash flow generation at Premier.

The Board is confident in the ability of Premier to achieve planned production levels, earnings and cash flows sufficient to meet budgets, once the capital expenditure program has been implemented and issues rectified.

However, in both Australia and Brazil, the Company group has a significant number of creditors outside normal payment terms. Consequently, the Company requires the continued support of its creditors as the production issues are rectified, and commercial production is achieved, thereby permitting the Company to generate sufficient cash flows to settle outstanding liabilities.

Subsequent to 30 June 2015, the Company has undertaken a number of steps to refinance and improve its liquidity position to allow completion of the targeted

capital expenditure program at Premier. Details of the steps taken by the Company – including consolidated debts held by Platinum Partners – are further described in the Company's 2015 Annual Financial Report.

Notwithstanding the fund raising and liquidity initiatives undertaken, the Company remains in a net current liability position and therefore the ability of the Company to continue as a going concern remains dependent on the following:

- (i) achieving forecast monthly gold production and gold sales to meet ongoing cash flow requirements;
- (ii) the Premier gold project delivering sufficient operating cash flows to fulfil the scheduled principal and interest repayments under the revised Premier Partners facility and other borrowings;
- (iii) existing creditors in Australia and Brazil continuing to support the Company group in not demanding payment of outstanding amounts;
- (iv) continued support of financiers other than Platinum Partners in not demanding repayment of outstanding amounts; and
- (v) the Company being able to raise funds through the issuance of equity and/or debt instruments to meet repayment of its borrowings, including the Platinum Partners facility of US\$13,169,833 which is due for repayment on 19 September 2016.

Should the Company not be successful in achieving the matters set out above, there is a material uncertainty whether the Company will be able to continue as a going concern and therefore whether the Company will be able to realise its assets and extinguish liabilities in the normal course of business.

(c) **ASX Listing**

The ASX has certain requirements, including the level of the operations that listed companies must meet in order to remain listed. If these requirements in the discretion of the ASX are not met, the ASX has the ability to suspend a company until such time as the requirements are met.

(d) **Future Capital Requirements**

The Company may have a need to raise funds in the future (whether by way of debt or equity) even if the SPP Offer is completed.

The ability of the Company to meet this future requirement, should it arise, will be dependent on the Company's continued access to credit markets, funding sources and financing facilities.

Recent developments in global financial markets have adversely affected the liquidity of global credit markets, which has resulted in an increase in the cost of funding and in certain cases a reduction in the availability of funding sources throughout global markets. Access to credit markets on less favourable terms will impact the Company's access to financing facilities should the need arise, and may have a material adverse effect on the Company's future financial performance and position.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if, and when, needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and its solvency.

(e) **Liquidity**

The Shares and options in the Company that are listed on the ASX have only limited liquidity. The value of Shares traded in the 12 months prior to the date on which the Company's Shares were suspended from trading on ASX on 30 September 2015 was \$2,550,477.

There can be no certainty that there will be a liquid market for the Company's Shares and options on completion of the Offers.

3.3 Operational risks

(a) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, adverse outcomes from project development studies, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in constructing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. The occurrence of any such events have an adverse affect on the performance of the Company.

(b) **Resource estimates**

Resources estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(c) **Commodity Price and Exchange Rate Risks**

The revenue derived by the Company from the sale of commodities exposes the income of the Company to commodity price and exchange rate risks.

The price of commodities is affected by numerous factors beyond the control of the Company such as supply and demand for the relevant commodity, technological advancements, forward selling activities, changes in global economies as well as other global or regional political, social or economic events. Future production from the Company's properties is dependent upon the price of the relevant commodity being at a sufficient level to make these properties economic. Future price declines in the market value of commodities could cause the development of, and eventually

the commercial production from the Company's properties to be rendered uneconomic. Depending on the price of the relevant commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of commodities are produced, a profitable market will exist for them.

Furthermore, international prices of gold are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

(e) **Exploration and appraisal**

The Company holds interests in exploration projects located in Brazil which are at various stages of exploration and appraisal.

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit. Even if an apparently viable reserve is identified, there is no guarantee that it can be economically exploited.

The exploration and appraisal costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

3.4 General Risks

(a) Investment risk

There are risks associated with any shares investment. The prices at which the Shares trade may fluctuate in response to a number of factors.

Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the Shares of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Share market

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- i) general economic outlook;
- ii) interest rates and inflation rates;
- iii) currency fluctuations;
- iv) changes in investor sentiment toward particular market sectors;
- v) the demand for, and supply of, capital;
- vi) terrorism or other hostilities; and
- vii) other factors beyond the control of the Company.

(c) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- i) general economic conditions in jurisdictions in which the Company operates;
- ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- vi) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(e) **Government policy changes**

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of the Company and may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and exploration, development and mining activities of the Company.

At present the Company is not aware of any reviews or changes that would affect its projects. However, changes in community attitudes on matters such as taxation, competition policy, environment and indigenous lands right issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's exploration plans or its rights and obligations in respect of its tenements. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) **Reliance on and availability of key personnel**

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors. While the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

4. Effect of the Placement and Offers

4.1 Capital Structure on completion of the Placement and Offers

	Number of Shares	Number of Listed Options	Number of Unlisted Options
Balance at the date of this Prospectus	243,114,224	11,364,998 ⁽²⁾	20,090,000 ⁽³⁾
To be issued under the Placement	40,721,900		
To be issued under the Offers	12,500,001 ⁽¹⁾	-	-
Balance after the Placement and Offers (if the SPP Offer is fully subscribed) ⁽⁴⁾	296,336,125	11,364,998	20,090,000

(1) Figure assumes the SPP Offer is fully subscribed.

(2) Listed Options, comprising:-

- 11,364,998 Options each exercisable at \$0.65 on or before 4 July 2016;

(3) Unlisted Options Comprising:-

- 5,340,000 Options each exercisable at \$0.20 on or before 31 December 2015;

- 3,250,000 Options each exercisable at \$0.36 on or before 31 December 2015;

- 1,000,000 Options each exercisable at \$0.25 on or before 16 May 2016;

- 1,000,000 Options each exercisable at \$0.25 on or before 31 Dec 2018;

- 2,000,000 Options each exercisable at \$0.40 on or before 31 Dec 2018; and

- 7,500,000 Options each exercisable at \$0.14 on or before 31 July 2019.

(4) Subject to Shareholder approval, which is being sought at the Shareholder Meeting, the Company will issue to Mr Singh 1,000,000 Shares and to Scrimshaw Nominees 333,000 Shares in consideration for agreeing to partially underwrite the SPP Offer. In addition, if the Shortfall is insufficient to fulfil the Underwriters' underwriting commitment, upon the request of the Underwriters and subject to Shareholder approval at the Shareholder Meeting, the Company will issue Shares to the Underwriters at \$0.04 each up to their full underwriting commitment, being 7,500,000 Shares to Mr Singh and 2,500,000 Shares to Scrimshaw Nominees.

4.2 Pro Forma Statement of Financial Position

Basis of Preparation

The pro-forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide to Disclosing non-IFRS Financial Information (issued December 2011).

The pro forma balance sheets have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the statement of financial position as at 30 November 2015 (unaudited) that has then been adjusted to reflect the material transactions in the notes below.

	Annual Accounts As at 30 June 2015 A\$	Unaudited Management Accounts As at 30 November 2015 A\$	Pro Forma As at 30 November 2015 A\$
Assets			
Cash and cash equivalents	457,565	163,493	2,069,425 ⁽¹⁾
Trade and Other Accounts Receivable	222,518	281,377	281,377
Inventory	469,619	1,022,426	1,022,426
Other Assets	25,709	213,141	213,141
Total Current Assets	1,175,411	1,680,436	3,586,386
Receivables	6,112,536	6,381,154	6,381,154
Investment in Joint Ventures	-	-	-
Property, Plant and Equipment	6,029,223	4,680,629	4,680,629
Exploration and Development	12,788,261	10,940,957	10,940,957
Total Non-current Assets	24,930,020	22,002,740	22,002,740
Total Assets	26,105,431	23,683,175	25,589,107
Liabilities			
Trade and other payables	5,440,630	6,998,574	6,998,574
Borrowings	18,957,501	19,059,005	19,059,005
Provisions	79,199	81,563	81,563
Total Current liabilities	24,477,330	26,139,142	26,139,142
Non-Current Liabilities			
Provisions	148,883	148,883	148,883
Total Non-Current Liabilities	148,883	148,833	148,883
Total Liabilities	24,626,213	26,139,142	26,288,025
Net Assets	1,479,218	(2,604,850)	(698,917)
Equity			
Issued capital	44,268,792	44,268,792	46,174,724
Reserve	(4,754,258)	(4,754,258)	(4,754,258)
Accumulated losses	(39,753,797)	(43,837,865)	(43,837,865)
Equity attributable to owners of the parent	(239,263)	(4,323,331)	(2,417,398)
Non-Controlling Interests	1,718,481	1,718,481	1,718,481
Total Equity	1,479,218	(2,604,850)	(698,917)

⁽¹⁾ Total cash raised under the Placement and SPP Offer, net of the proposed costs. The brokerage fees for the Placement are expected to be 5.0% of funds raised under the Placement. The costs of the SPP Offer highlighted in section 5.8.

Pro Forma Adjustments

The pro forma statement of financial position has been prepared based on the unaudited statement of financial position as at 30 November 2015 that has been adjusted to reflect the following transactions and events relating to the issue of Shares under this Prospectus and the Placement:

- (a) Increase in cash of \$1,905,932 being the net amount raised from the Placement of \$1,628,876 and \$400,000 from the SPP Offer, less the total costs of the Placement and SPP Offer of approximately \$122,943.
- (b) Increase in contributed equity of \$1,905,932 being the issue of 40,721,900 shares at an issue price of \$0.04 each pursuant to the Placement and the issue of 10,000,000 shares at an issue price of \$0.04 each pursuant to the SPP Offer, less total costs of the Placement and SPP Offer of approximately \$122,943.

4.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date on which the Company's shares were suspended from trading on ASX were:

Highest: \$0.057 per Share on 15 July 2015

Lowest: \$0.036 per Share on 2 July 2015 and 3 July 2015

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.05 per share on 30 September 2015.

4.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5. Additional information

5.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares

of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by the ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or the ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASTC Business Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Partly paid Shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) **Winding up**

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid-up or credited as paid up on the shares when the winding up begins.

(i) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on

all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale.

If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(o) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) **Preference Shares**

The Company may issue preference shares including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's members.

5.2 **Underwriting Agreements**

Mr Singh and Scrimshaw Nominees Pty Ltd (the **Underwriters**) have entered into underwriting agreements with the Company to partially underwrite the SPP Offer for an aggregate amount of \$400,000 (**Underwriting Agreements**).

Mr Singh has agreed to underwrite the SPP Offer up to \$300,000 (7,500,000 Shares). Scrimshaw Nominees Pty Ltd has agreed to underwrite the SPP Offer up to \$100,000 (2,500,000 Shares). The Underwriters are entitled to subscribe up to the maximum number of

Shares underwritten but are only obliged to subscribe to the shortfall of the underwriting, up to the amount underwritten in proportion to their individual underwriting commitment and as otherwise agreed by the Company.

Subject to shareholder approval, which is being sought at the Shareholder Meeting, the Company has agreed to issue Mr Singh 1,000,000 Shares and Scrimshaw Nominees 333,000 Shares in consideration for the Underwriters agreeing to partially underwrite the SPP Offer.

The Company has agreed with the Underwriters that, in the event there is insufficient Shortfall Shares for the Underwriters to subscribe for the full amount they have agreed to underwrite, the Company will, if requested by the Underwriters and subject to Shareholder approval at the Shareholder Meeting, issue to the Underwriters additional Shares at an issue price of \$0.04 each up to the maximum value of their underwriting commitment.

There are no termination provisions under the Underwriting Agreements.

5.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.4 below).

5.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Financial Report of the Company for the year ended 30 June 2015, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the Company has not lodged with ASX any continuous disclosure notices since the date of lodgement of the Annual Financial Report referred to in paragraph (a).

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Suite 1, 41 Walters Drive Osborne Park WA 6017, Australia;

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.10 and the consents provided by the Directors to the issue of this Prospectus.

5.5 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.7 Directors' interests

(a) Interests

Except as disclosed in this Prospectus, no Director or proposed director, and no firm in which a Director or proposed director:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the SPP Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the SPP Offer; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the SPP Offer.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the Shares and Options of the Company at the date of this Prospectus:

Director	No. of Shares Held	No. of Options Held	No. of Unlisted Options Held
Wayne Zekulich	500,000	-	-
David Mendelawitz	41,908,015	-	2,240,000
Richard Stroud	455,000	-	3,000,000
Proposed Director			
Alex Sundich	13,318,172	300,000	-
Glenn Simpson	9,351,500	-	-

Non-Executive Directors

Upon appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of Director.

The key terms of the Non-Executive Director service agreements are as follows:

- Term of Agreement – ongoing subject to annual review.
- Non-Executive Directors' Fees of \$30,000 per annum.
- Non-Executive Chairman's Fees of \$30,000.

- There is no notice period stipulated to terminate the contract by either party.

Total remuneration for all Non-Executive Directors, last voted upon by shareholders, is not to exceed \$300,000 per annum and fees are set based on fees paid to other Non-Executive Directors of comparable companies. Directors' base fees are presently set at \$30,000 per annum.

Mr David Mendelawitz – Managing Director

- Term of Agreement – ongoing subject to annual review.
- Remuneration – \$200,000 per annum plus superannuation at statutory rates

Directors have received the following remuneration for the preceding two financial years (including the full financial year up to 30 June 2015):

2015				
	Salary & Fees	Super-annuation	Share Based Payments	Total
	\$	\$		\$
Executive Directors				
Mr David Mendelawitz	200,000	19,000	-	219,000
Non-Executive Directors				
Mr Richard Stroud ⁽¹⁾	126,300	2,850	40,926	170,076
Mr Russell Scrimshaw ⁽²⁾	30,000	2,850	50,342	83,192
Mr Rod Campbell ⁽³⁾	60,579	4,275	(30,201)	34,653
Mr Wayne Zekulich ⁽⁴⁾	11,423	1,085	-	12,508
Proposed Non-Executive Directors				
Mr Alex Sundich ⁽⁵⁾	-	-	-	-
Mr Glenn Simpson ⁽⁶⁾	-	-	-	-
Total Directors	428,302	30,060	91,628	549,630

The remuneration figures in the above table represent the total amounts earned by each Director in the period 1 July 2014 to 30 June 2015 with regard to the appointment dates listed below.

⁽¹⁾ Mr Richard Stroud received \$30,000 in his capacity as Director as well as \$96,300 in his capacity as Mining Consultant.

⁽²⁾ Mr Russell Scrimshaw resigned on 19 October 2015

⁽³⁾ Mr Rod Campbell resigned on 29 August 2014

⁽⁴⁾ Mr Wayne Zekulich was appointed as a director on 9 February 2015

⁽⁵⁾ Mr Alex Sundich is expected to be appointed as a Non-Executive Director on 23 December 2015.

⁽⁶⁾ Mr Glenn Simpson is expected to be appointed as a Non-Executive Director on 23 December 2015.

2014				
	Salary & Fees	Super-annuation	Share Based Payments	Total
	\$	\$		\$
Executive Directors				
Mr David Mendelawitz	200,000	18,500		218,500
Mr Rod Campbell ⁽²⁾	170,000	14,569	30,201	214,770
Non-Executive Directors				
Mr Richard Stroud ⁽¹⁾	85,131	1,964	23,658	110,753
Mr Russell Scrimshaw	30,000	2,775	42,109	74,884
Mr J Williams ⁽³⁾	10,962	1,014	-	11,976
Mr D Bailey ⁽⁴⁾	5,538	-	-	5,538
Mr A Finlay ⁽⁵⁾	53,527	3,736	-	57,263
Total Directors	555,158	42,558	95,968	693,684

⁽¹⁾ Mr Richard Stroud was appointed as a Non- Executive Director on 8 October 2013.

⁽²⁾ Mr Rod Campbell became a director on 4 September 2013. Remuneration shown is for the period since appointment as a director

⁽³⁾ Mr Williams ceased as a director on 1 November 2013

⁽⁴⁾ Mr Bailey ceased as a director on 28 August 2013

⁽⁵⁾ Mr Finlay ceased as a director on 12 July 2013

The remuneration figures in the above table represent the total amounts earned by each Director in the period 1 July 2014 to 30 June 2015 with regard to the appointment dates listed above.

5.8 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company or the Offers or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offers.

Steinepreis Paganin will be paid fees of approximately \$10,000 (plus GST) in relation to legal services provided to the Company in relation to this Prospectus. In the past two years, Steinepreis Paganin has not been paid any fees by the Company.

Mr Navinderjeet Singh will be issued 1,000,000 Shares in consideration for his services as joint underwriter to the SPP Offer. In the past two years, Mr Navinderjeet Singh has not been paid any fees by the Company.

Scrimshaw Nominees Pty Ltd will be issued 333,000 Shares in consideration for its services as joint underwriter to the SPP Offer. In the past two years, Scrimshaw Nominees Pty Ltd has not been paid any fees by the Company. Scrimshaw Nominees Pty Ltd is controlled by Mr Russell

Scrimshaw. Refer to Section 5.7 for details of payments to Mr Scrimshaw over the past two years.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.9 Expenses of the Placement and SPP Offer

The estimated expenses of the Offers, assuming full subscription of the SPP Offer, are as follows:

	\$A
ASIC lodgement fee	2,320
Legal expenses	15,000
Share registry costs	5,000
Handling fees	4,000
Printing, mailing and other expenses	15,180
Total	<u>41,500</u>

5.10 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

Steinepreis Paganin has given, and has not withdrawn, its written consent to being named in this Prospectus as solicitors to the Company. Steinepreis Paganin has not authorised or caused the issue of this Prospectus or the making of the Offers under this Prospectus. Steinepreis Paganin makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Mr Navinderjeet Singh has given, and has not withdrawn, his written consent to being named in the Prospectus as joint underwriter to the SPP Offer. Mr Navinderjeet Singh has not authorised or caused the issue of this Prospectus or the making of the SPP Offer under this Prospectus. Mr Navinderjeet Singh makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Scrimshaw Nominees Pty Ltd has given, and has not withdrawn, its written consent to being named in the Prospectus as joint underwriter to the SPP Offer. Scrimshaw Nominees Pty Ltd has not authorised or caused the issue of this Prospectus or the making of the SPP Offer under this Prospectus. Scrimshaw Nominees Pty Ltd makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

6. Authorisation

This Prospectus is authorised by each of the Directors and proposed Directors of the Company.
This Prospectus is signed for and on behalf of Company by:

Wayne Zekulich
Non-Executive Chairman
Dated: 23 December 2015

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Annual Financial Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2015 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the year ended 30 June 2015, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2015.

Applicant means a person who submits an Application Form or makes a BPAY Payment.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form means the application form attached to this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Sub register System.

Cleansing Offer has the meaning in Section 1.5.

Closing Date means the day specified in the proposed timetable or such later date as the Directors may determine.

Company or **Cleveland** means Cleveland Mining Company Limited ACN 062 959 540.

Computershare Investor Services Pty Limited means Computershare Investor Services Pty Limited ACN 078 279 277.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder has the meaning in Section 1.9.

Issuer Sponsored means shares issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Offers means the SPP Offer and the Cleansing Offer.

Official Quotation means quotation of Shares on the Official List.

Option means the right to acquire one Share.

Placement has the meaning in Section 2.

Prospectus means this prospectus.

Record Date means the day specified in the proposed timetable.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shareholder Meeting has the meaning in Section 1.1.

SPP Offer has the meaning in Section 1.1.

Underwriters means Scrimshaw Nominees Pty Ltd ATF Scrimshaw Family Trust (ACN 006 366 070) and Mr Navinderjeet Singh.

WST means Western Standard Time, being the time in Perth, Western Australia.