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Significant Results from Premier East and Vanuza Drilling

Drilling provides confidence in further target areas

Highlights

- Initial extensional drilling over 360m along strike from the current Premier mining operations has intersected economic grades of mineralisation, including 2m @ 7.45 g/t* from 25m below surface, adding approximately 80% in length to the confirmed mineralised strike of the Premier Metago project.
- Mineralisation is within a close haul distance from the Premier process plant.
- Drilling confirms the correlation with high grade surface samples up to 41.70 g/t,
 previously taken by Cleveland.
- Initial drill holes into the "Mine Gate" target have confirmed that the unit is a part of the Vanuza prospect, extending Vanuza to a surface area of approximately 2 x 2.5km.
- All drill holes at Vanuza / Mine Gate have identified the target rock types.
- Gold mineralisation of economic grade and depth has been intersected in one drill hole at Vanuza, with a peak value of 1.2m @ 4.86 g/t* intersected 11m below surface.
- The structure which typically hosts the mineralisation has been found in multiple drill
 holes, proving that all ingredients required to form an orebody at Vanuza (rock type,
 structure and presence of gold in the system) have been identified.
- Drilling has commenced at Premier West, with 2 holes drilled so far, both intersecting the targeted geology.
- Drilling on Premier East, Premier West and Vanuza will continue after the current program at Dona Maria is completed, with the aim to turn these successful results into new resources.

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



Cleveland Mining Company Ltd (ASX: CDG) is pleased to provide an update on first pass drilling at the Company's Premier Gold Mine JV in Goias State, Brazil.

Whilst the majority of the Company's current resource expansion program is being undertaken on the Lavra and Dona Maria prospects, limited, but highly significant work, has been ongoing at Premier East and Mine Gate / Vanuza, as well as some initial holes drilled at Premier West.

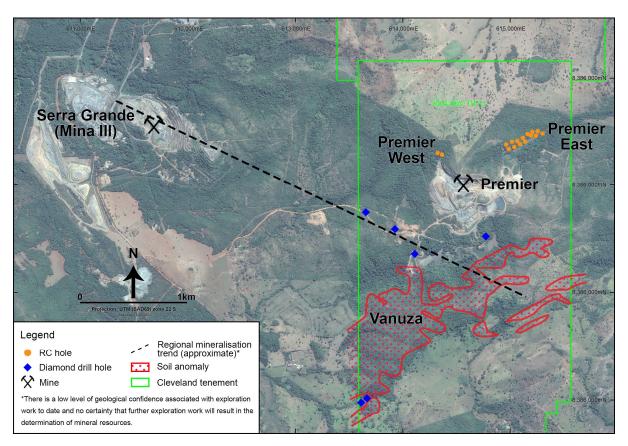


Figure 1. Location of Premier, Premier East, Premier West and Vanuza (Mine Gate) in relation to Anglo Gold Ashanti

Serra Grande's Mina III Mine, Goias State, Brazil

Premier East

Premier East is the eastern strike extent of the Premier mine host lithology.

The Company set a target of 26,000 ounces of JORC compliant resources from Premier East and Premier West as part of a plan to increase the resource base to approximately 300,000 ounces across the project to support 5 - 6 years of mining.

An initial program of fourteen holes were drilled into Premier East.

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Drill hole PGPRC00267 was sited approximately 200m northeast from the Pit 3 open cut (see figure 2), returning 2m @ 7.45 g/t Au from 25m. Other results received so far demonstrate that mineralisation is present across the 360m strike tested to date. The drilling confirms the correlation with high grade surface samples up to 41.70 g/t, previously taken by Cleveland.

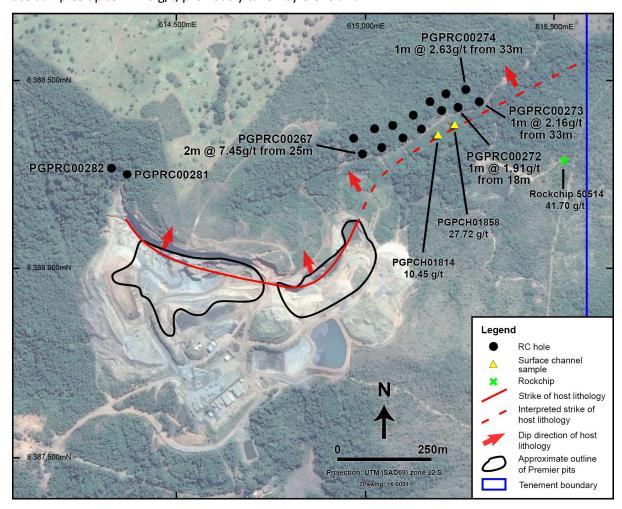


Figure 2. Location of drill holes at Premier East.

The depths and tenor of the mineralisation recorded so far, provides confidence that the area offers potential for fast-tracked mine development within the existing mine infrastructure, though more drilling is required to determine if the mineralisation is cohesive and economic for open pit mining.

Contact

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Premier West

Premier West is the western strike extent of the Premier mine host lithology.

Two RC holes were drilled into Premier West, PGPRC00281 & 282.

PGPRC00281 was drilled into a sequence of Chlorite Schist, Sericite Carbonate Schist and Graphitic

Schist including a zone of chlorite, carbonate, sericite, silicate and pyrite alteration and quartz-

carbonate veining.

PGPRC00282 was drilled into a sequences containing Graphitic Schist, Graphite Sericite Schist and

Chlorite Schist. A zone around the contact between Graphitic Schist and Chlorite Sericite Schist

exhibits carbonate, silicate and sericite alteration and quartz carbonate veining.

Both holes targeted stratigraphy above the LQZ (main mineralised unit) following up an encouraging

intersection, GPGRC00260, 32m @ 0.32g/t Au from 0m.

Assays from both holes are still pending

Vanuza

Vanuza is a prospect located on the Premier mining lease about 2km south of the Premier mill. It is

an area where garimpeiros (artisanal miners) have mined 2 very small open pits. As previously

reported, it was defined by regional soil geochemistry conducted by Cleveland identifying gold and

multi element soil anomalism. Trenching and two diamond holes (totalling 204.1m of drill core) have

recently been completed into the southern corner of Vanuza (see figure 3) in an attempt to identify

the primary source to the soil anomalism and old workings.

Lithology at Vanuza consists of quartz biotite schist and interbedding of amphibolite with quartz

veining. Lithology strikes N70°E and dips 55°NW. Mineralization is associated with amphibolite and

quartz veining \pm pyrite, pyrrhotite and arsenopyrite and exhibits moderate intensity carbonate -

chlorite alteration. Mineralisation together with alteration appears to have a thickness of 5.35m

based on core drilling intersections and trench exposure.

Encouraging results from PGPDH00185 have returned with 1.2m @ 4.86 g/t Au from 11m depth, as

detailed in table 1.

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Prospect	Hole Number	Northing	Easting	mRL	Grid Az.	Dip	Hole Depth	Intercept
Premier East	PGPRC00267	8388305	614994	532	0	-90	57	2m @ 7.45 g/t Au from 25m
Premier East	PGPRC00268	615045	8388322	521	0	-90	51	no significant assays
Premier East	PGPRC00269	8388347	615101	518	0	-90	48	1m @ 0.67 g/t Au from 13m
Premier East	PGPRC00270	615150	8388370	518	0	-90	38	no significant assays
Premier East	PGPRC00271	8388432	615202	501	0	-90	42	1m @ 0.70 g/t Au from 11m
Premier East	PGPRC00272	8388428	615247	493	0	-90	42	1m @ 1.91 g/t Au from 18m
Premier East	PGPRC00273	8388448	615309	503	0	-90	42	1m @ 2.16 g/t Au from 33m
Premier East	PGPRC00274	8388471	615268	491	0	-90	70	1m @ 2.63 g/t Au from 33m
Premier East	PGPRC00275	615216	8388462	499	0	-90	40	no significant assays
Premier East	PGPRC00276	615173	8388442	508	0	-90	40	no significant assays
Premier East	PGPRC00277	615127	8388406	518	0	-90	76	no significant assays
Premier East	PGPRC00278	615073	8388379	526	0	-90	60	no significant assays
Premier East	PGPRC00279	615025	8388371	528	0	-90	66	no significant assays
Premier East	PGPRC00280	614969	8388345	536	0	-90	60	no significant assays
Premier West	PGPRC00281	614370	8388250	569	0	-90	75	results pending
Premier West	PGPRC00282	614328	8388267	558	0	-90	87	results pending
Mine Gate	PGPDH00182	613671.54	8387714.48	476.098	160	-80	169.9	no significant assays
Mine Gate	PGPDH00183	614129.494	8387324.39	477.833	180	-80	130.7	no significant assays
Mine Gate	PGPDH00184	614795	8387493	452	193	80.32	118.6	no significant assays
Vanuza	PGPDH00185	613626	8385939	460	160	-70	103.6	1.2m @ 4.86 g/t Au from 11m
Vanuza	PGPDH00186	613681	8385974	466	160	-60	100.5	no significant assays
Mine Gate	PGPDH00187	613944	8387555	472	0	-90	181.6	1.05m @ 0.66 g/t Au from 132m

Notes: Minimum Intersection Length = 0.1m Interval Top Cut = 999.00 g/t Au, Interval Bottom Cut = 0.50 g/t Au, Maximum Internal Dilution = 2m, Reporting Assays Greater than 20.00 g/t Au

Table 1. Drill locations and significant intercepts

The distribution of the Vanuza gold-in-soil anomaly greater than 20ppb (0.02g/t) is shown on the following plan(figure 3) together with the collar position of the 2 diamond holes.



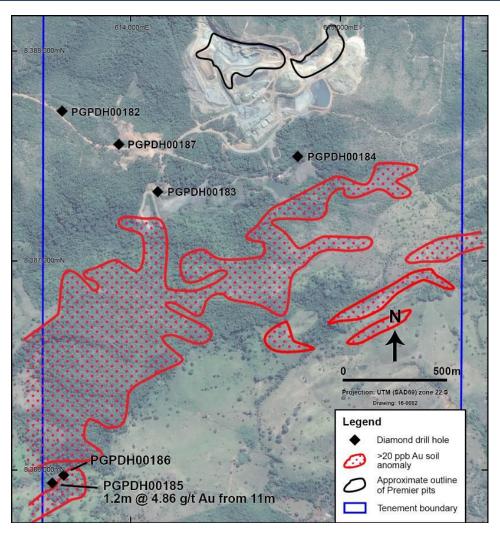


Figure 3. Vanuza Prospect

Cleveland's Managing Director, Mr David Mendelawitz, said "These initial results are very encouraging. We have now been able to open up two, and perhaps three, further targets within our tenement package, each of which has significant potential for near term mining due to their location within the Mining Lease, and high gold grades near surface. Together with Lavra, Dona Maria and Dona Maria South we now have five areas that have all shown shallow, high grade mineralisation for the resource drilling program to continue to develop, and still we have scope for further areas."

ENDS



Further Information:

Investors:

David Mendelawitz, Managing Director Cleveland Mining Company Limited (ASX: CDG)

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Forward-looking Statements

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

Competent Person's Statement

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

ASX Code: CDG



(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Reported sampling was by RC and diamond core drilling. Drilling was completed by Servitec Foraco drilling contractors.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drill hole collars are picked-up by company surveyors, geologists or experienced field technicians. Drill samples were logged by company geologists for lithology, weathering, structure, wetness and contamination.
		Certified standards and blanks were inserted into the RC sampling sequence at a nominal rate of 4.7 QAQC tests for every 100 samples: 1 standard in every 63 samples, 1 blank in every 63 samples and 1 duplicate in every 63 samples.
		The diamond sampling sequence inserted certified standards and blanks at a nominal rate of 9.1 QAQC tests for every 100 samples: 1 standard in every 44 samples, 1 blank in every 44 samples and 1 duplicate in every 22 samples.
		Results from the QAQC sampling were considered acceptable.
	Aspects of the determination of mineralisation that are Material to the Public Report.	RC drill samples are collected directly from the cyclone outlet. Core samples were half cut NQ.
	In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from	All samples were prepared and assayed at the Premier mine laboratory by aqua regia digest or submitted to SGS Belo Horizonte for fire assay.
	which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine	All samples are crushed, dried and pulverised (total prep) to produce a sub sample. Aqua regia was by 30gm digest with an AAS finish. Fire assay was by 30gm charge and AAS finish



	nodules) may warrant disclosure of detailed information.	
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, facesampling bit or other type, whether core is oriented and if so, by what method, etc).	RC drilling was to a depth of between 38 and 70m using a face sampling hammer bit. No downhole surveying was conducted. Core holes were drilled to a depth of between 100.5 and 181.6m and holes were down hole surveyed.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	RC samples were weighed immediately upon recovery from the cyclone on a metre-bymetre basis. The sample weight was recorded and captured in the company database.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise downhole and/or cross-hole contamination.
		Core samples were NQ half core cut on geological criteria at the discretion of a company geologist. Core samples were no less than 0.1m and no more than 1.0m in length.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Cleveland protocols and QAQC procedures are followed to preclude any issue of sample bias due to material loss or gain. No significant bias is expected and any potential bias is not considered material.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource	Sample logs record lithology, mineralogy, mineralisation, weathering, colour, lithology, grainsize, texture, contamination, oxidation, weathering and wetness of the samples. RC



	estimation mining studies and	chin trave are photographed as too are some
	estimation, mining studies and metallurgical studies.	chip trays are photographed as too are core trays.
		Logs are recorded graphically and entered into Cleveland database.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Samples were photographed within chip and core trays.
	The total length and percentage of the relevant intersections logged.	All drill holes were logged in full to end of hole.
Sub- sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Fresh and partially weathered core was continuously sawn by a circular brick saw. Soft, weathered core was continuously cut using a knife and spatula.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC drill samples were passed through a single stage riffle splitter 3 or 4 passes sufficient to reduce the sample to 2- 4 kg.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	At the Premier laboratory, samples were dried, crushed to 80% passing 10 mesh (i.e. 2mm), homogenized, riffle split (primary split) and pulverized to 95% passing of 200 mesh (75 microns).
		At the SGS laboratory samples were dried to a temperature of 105°, crushed to 3mm, homogenized and ground in a steel mill to 250 - 300 gm, 95% passing 150 mesh.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Cleveland Mining quality control procedures include submissions of certified reference material, field duplicates (check sampling of coarse rejects) and blanks into the sampling sequence.
		The RC sample sequence included: 1 standard in every 63 samples, 1 blank in every 63 samples and 1 duplicate in every 63 samples.
		The diamond sampling sequence inserted 1 standard in every 44 samples, 1 blank in every 44 samples and 1 duplicate in every 22 samples.
		Laboratory quality control procedures include the submission of blanks, duplicates and standard reference material. Typically, for every 34 to 36 samples, a pulp duplicate or coarse reject duplicate, reagent blank and an



aliquot of certified reference material is inserted into the sample stream. All QC results are reported within the final assay report.

Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.

Duplicates were taken at a rate of 1 in every 22 samples in the diamond sample sequence and 1 in every 63 in the RC sample sequence.

Whether sample sizes are appropriate to the grain size of the material being sampled.

Sample size is deemed appropriate relative with the grain size based on industry standards of similar mineral styles and sampling methods.

Quality of assay data and laboratory tests

The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.

For all samples, gold assays were determined by either agua regia or fire assay. Agua regia was by 30gm solution and AAS finish. Fire assay used a minimum 150 gm sample to produce a 30 gm charge (Method FAA313). Samples that assayed above the upper limit of detection were reassayed by FAA323; detection limit, 10 -100000 ppb. These methods are deemed appropriate, being consistent with industry standards.

For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.

No geophysical tools have been applied,

Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.

Field QAQC procedures include the insertion of field duplicates, blanks and commercial standards. Results are generally satisfactory demonstrating acceptable levels of accuracy and precision for resource development.

Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, duplicates as per laboratory procedures.

Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure, at the Premier laboratory, the grind size of 95% passing 75 micron was being attained and at the SGS laboratory, 95% passing 150 mesh.



Verification
of sampling
and
assaying

The verification of significant intersections by either independent or alternative company personnel.

Several company staff based within Brazil or off-shore review and verify significant intersections either physically on site or from photographs of the intersections.

The use of twinned holes.

Twinned holes have not been drilled.

Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.

Sample logging is conducted at the drill site or from RC chip trays prepared at the drill site or from core trays loaded at the drill site. Graphical logs are used to record the geological information.

Discuss any adjustment to assay data.

Geologists and data entry personnel enter the graphic logs into standard Excel templates generated from the company SQL database. The Excel templates contain validation routines to ensure standard codes are enforced.

Perth personnel review and validate the data entry process on a batch-by-batch basis.

Data is stored in an SQL server database platform and is managed with a Geological Data Management System; George 7.

No adjustments were made to any assay information, except for "lower than detection limit" values that are stored within the database as negative values.

Location of data points

Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.

Drill hole collar locations are clearly marked in the field. The collar locations are pickedup by company surveyor within an accuracy of ±5mm or, depending on the nature of the drill hole, located by GPS.

Core holes were downhole surveyed while RC holes were not.

Specification of the grid system used.

The grid system is SAD69, Zone 22 South.

Quality and adequacy of topographic control.

Either company surveyors mark out of each collar position using a total station theodolite or holes are marked out by company personnel using a GPS. The positions of completed hole collars are surveyed by company surveyor using a total station theodolite or picked up by GPS.

Board of Directors



Data spacing and distribution	Data spacing for reporting of Exploration Results.	RC holes were spaced within 50m distance and core holes spaced 200 – 2000m being reconnaissance in nature
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The data spacing and distribution is sufficient to demonstrate mineral and geological continuity proof of concept.
	Whether sample compositing has been applied.	Samples were not composited.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Holes were inclined at high angle to the geological units, thus returning intervals with approximately true thickness.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The drilling orientation is considered not to have introduced sampling bias.
Sample security	The measures taken to ensure sample security.	All samples were collected and delivered to the laboratory by company personnel on a routine basis. Samples were never left unattended in public areas.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Field and laboratory QAQC assays are audited regularly by company geologists. QAQC samples from the reported program were deemed satisfactory.
		The last independent database audit was conducted by Cube Consulting and covered a period of time finishing December 2011. It found that the drill hole database is well structured and contains no obvious material discrepancies in collar, survey or assay data. Cube considers the drill data to be of an appropriate standard to undertake resource estimation and reporting under the CIM NI-43-101 reporting guidelines.
		An internal audit of the reported assay results found nothing untoward.

David Mendelawitz – Managing Director

Glenn Simpson – Non-Executive Director

Rick Stroud – Non-Executive Director



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Vanuza and Premier East are prospects constituent of the Premier mining lease, tenement 804.365/1975 located within the central Brazilian state of Goias. The tenement was issued by Departmento Nacional de Producao Mineral and owned in 50:50 joint venture between Cleveland Premier Mineracao Ltda (the project operator) and Edifica Participacoes.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Previous to the current operation, work was carried out by the Goias State Government Mining and Exploration Company, Metago, during mid to late 1980's. Work included the drilling of RC and diamond core holes.
Geology	Deposit type, geological setting and style of mineralisation.	The Premier Gold Project is hosted within the Crixas Greenstone Belt, within the volcanic and sedimentary rocks of the Rio Vermelho Formation. Mineralisation is hosted in shallow-dipping (10- 18 degrees) graphitic, black shale and basal greywacke. The mineralised zone is



named the "Lower Quartz Zone".

Drill hole Information

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

easting and northing of the drill hole collar

elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar

dip and azimuth of the hole

down hole length and interception depth

hole length.

If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

Included in Table 1.

Data aggregation methods

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.

Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.

The assumptions used for any reporting of metal equivalent values should be clearly stated.

Reported intersections are noted within the body of the announcement and within the above tables.

Minimum Intersection Length = 0.1m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.50 ppm AuMaximum Internal Dilution = 2m.Reporting Assays Greater than 20.00 ppm Au

Relationship between mineralisation widths and intercept lengths

These relationships are particularly important in the reporting of Exploration Results.

If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.

If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').

The intersections quoted are believed to be approximately true widths based on mapping and drilling of the geological model.

Drilling intersected mineralisation at high angle and as close as



		practicable to true thickness.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps and sections are provided within the announcement body.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting has been achieved.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	There is no other material data to report.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Infill drilling is necessary prior to resource estimation.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

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