



Mining Begins at Premier Gold Mine

Corporate Information

ASX Code	CDG
Quoted shares	129.7 million
Total shares	175.8 million
Unlisted options (20c)	34.8 million

Board and Management

Chairman - Donald C. Bailey
Managing Director - David Mendelawitz
Finance Director - Aaron Finlay
Non-Exec Director - Jim Williams
Non-Exec Director - Russell Scrimshaw

Contact

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PERTH, AUSTRALIA, 20th September, 2012: Cleveland Mining Company Ltd. (ASX: CDG) is proud to announce that it has started mining at the Premier Gold Mine.

Ore is now being stockpiled at the plant, where live commissioning is underway.

The final external barrier to the start of mining and processing was overcome when the electrical connection to site was established after a longer-than-anticipated bureaucratic process. The Company has now received all permissions required to start round-the-clock mining and processing of ore through the Stage 1 gravity circuit.

Managing Director of Cleveland Mining, Mr David Mendelawitz, said that the Company was delighted to have reached this milestone.

"We are debt free, about to generate cash-flow, and have built the first stage of the mine far quicker than is typical. With gold now trading at around \$1750 per ounce, \$200 per ounce higher than 6 months ago, it's a great time to start selling it," said Mr Mendelawitz.

"Our strategy aimed to build a reasonably small mine first so we could understand what affects budgets and schedules when building mines in Brazil, recruit and structure our teams optimally, and not expose the Company to restrictive debt burdens."

"When we expand Premier and build other larger mines, we will be well positioned to get them right. The commencement of mining, along with the lessons learned to date, put us in a very strong position to create a solid future for Cleveland Mining."

"We are now working to get Stage Two, the cyanide circuit, of the Premier mine built as quickly as possible, whilst at the same time working to increase our gold resources through exploration or acquisitions. Work also continues to schedule in Amapá state on our Iron projects, where we are currently sinking shafts for bulk samples for metallurgical testwork."

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Stage 1 of the Premier Gold Mine Completed





About Cleveland Mining

Cleveland Mining is an Australian-managed, publicly-listed minerals company, squarely focused on developing projects to owner-operate. Cleveland has three distinct project hubs:

- 1) The Crixás Hub, Goiás State, central Brazil. Projects: The Premier Gold Mine JV, O Capitão, Baú, Guarinhos, Pantera – Gold-focused
- 2) The Amapá Hub, Amapá State, northern Brazil. Projects: Ferradura, Porto Grande and Lebre – Iron ore-focused
- 3) The Canela Hub, central Chile. An small portfolio of projects between La Serena and Santiago – Gold/Copper-focused

The Company's most advanced project is the Premier Gold Project, where mining has now begun.

Cleveland recently formed a strategic alliance with fellow-ASX listed company, BC Iron (ASX:BCI) aimed at acquiring and co-developing new iron ore projects in Brazil.

Cleveland has a different approach to project selection, with project economics driving target selection. Geological prospects, local costs and infrastructure are rigorously scrutinised before entering into a project. Projects are chosen according to their potential to generate returns at the bottom of the economic cycle, with Cleveland only operating in areas backed by legislation and government that can provide stable and transparent operating environments.

Investor and Media Contact

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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. These forward looking statements 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mendelawitz consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Mendelawitz is employed by Cleveland Mining Company Ltd.