

## Market Update

### Board and Balance Sheet Strengthened

*Two experienced Directors to join Cleveland's Board, minimum \$2m Capital Raising via Placement and Share Purchase Plan*

#### Highlights

- Mr Alex Sundich and Mr Glenn Simpson, both of whom have significant commercial experience and have been long-term major supporting shareholders in Cleveland Mining, to join the Board of Cleveland Mining as Non-executive Directors.
- Mr Sundich brings around 25 years of banking and financial markets experience to the Board.
- Mr Simpson brings over 30 years of accounting, risk management and commercial experience to the Board.
- Two tranche Placement of \$1.6 million to assist in completing the Premier Gold Mine expansion and to strengthen the balance sheet.
- Additional to the Placement, a Share Purchase Plan (SPP) of up to \$500,000 will be launched (to provide existing shareholders the opportunity to participate in the capital raise on the same terms of the Placement), of which \$400,000 will be underwritten (subject to shareholder approval).
- The Underwriting of \$400,000 of the SPP together with the Placement to result in a total capital raising of a minimum \$2 million.
- The Placement will be completed in two tranches, the first tranche utilising the Company's existing 15% Placement Capacity and the second tranche subject to shareholder approval.

Cleveland Mining Company Ltd (ASX: CDG) ("the Company") is pleased to announce that Mr Alex Sundich and Mr Glenn Simpson are to join the Board of Cleveland Mining Company as Non-Executive Directors.

Mr Sundich and Mr Simpson are long-term major shareholders of the Company. Mr Sundich has previously provided corporate advisory and capital raising services to Cleveland through Palladion Partners Corporate Advisors, whilst Mr Simpson has provided commercial consulting through Lawsons Commercial Services.

#### Corporate Information

Total shares: 243.1 million  
Listed options: 11.4 million  
Unlisted options: 29.2 million

#### Contact

Investor & Media Enquiries  
info@clevelandmining.com.au

#### Board of Directors

Wayne Zekulich - Acting Non-Executive Chairman  
David Mendelawitz – Managing Director  
Rick Stroud – Non-Executive Director

#### Head Office

Suite 1,, 41 Walters Drive Osborne Park WA 6017  
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W: www.clevelandmining.com.au

#### *About Mr Alex Sundich*

Alex Sundich has over 25 years' experience in the financial services industry. Alex worked with Goldman Sachs and Credit Suisse First Boston in New York and Australia as an investment banker providing M&A and debt/capital markets advice focusing on the mining industry.

From 2003 to 2008 he held senior management positions within the funds management industry and was a Non-Executive Director of Eastern Star Gas Limited until its acquisition by Santos Ltd for in excess of \$1.2 billion in 2011.

Alex holds a Bachelor of Economics from the University of Sydney and a Master of Commerce from the University of New South Wales. He is a member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and is a Fellow of the Financial Services Institute of Australia. He is a Non-Executive Director of Petrel Energy Ltd (ASX: PRL), CFO of Burleson Energy and Non-Executive Director of Ellex Medical Lasers Limited (ASX: ELX).

#### *About Mr Glenn Simpson*

Mr Glenn Simpson is a Chartered Accountant with over 30 years' worldwide experience. Commencing his career with Touché Ross & Co Perth, he moved to manage their Bougainville office before returning to Australia to commence public practice in his own right.

Mr Simpson operated his practice in Perth and Kalgoorlie and over that time became very involved in mining and services to mining. He has been involved in corporate advisory, strategic planning and financial management of a wide range of clients Australia wide, over the last 25 years.

From 2001 to 2014 Mr Simpson established and managed national broking and underwriting businesses, culminating in a trade sale of all of the underwriting businesses to a listed entity in 2013. Subsequent to the sale Mr Simpson was retained to manage the financial affairs of the businesses post-sale, until the end of 2014.

Mr Simpson continues to consult to industry as Lawsons Commercial Services, which is now part of the Charter Financial Services group.

### **Capital Raising**

In addition to the new Directorships, Cleveland is undertaking a \$1.6 million two-tranche Placement at \$0.04 per share to sophisticated investors. In parallel, the Company has secured underwriting for \$400,000 of a Share Purchase Plan to raise up to \$500,000, which is subject to shareholder approval. The Share Purchase Plan will provide existing shareholders the opportunity to participate in the capital raising on the same terms as the Placement, whilst ensuring that targeted minimum \$2 million required to advance the Company's existing projects in Brazil was secured. The Placement will be completed in two tranches, the first tranche utilising the Company's existing 15% placement capacity and the second tranche subject to shareholder approval. The completion of the Placement and SPP

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is conditional on the suspension of the shares of the Company being lifted and trading of Company shares resuming on the ASX, and the Company issuing a Cleansing Prospectus on the date of completion of the Placement.

Funds raised will be used primarily to complete the expansion of the Premier Gold Mine ("the Project").

Both Mr Sundich and Mr Simpson participated in the Placement and were subsequently invited to join the Board once the capital raising had been settled.

Cleveland's Managing Director David Mendelawitz said "On behalf of the Board, I would like to welcome both Alex and Glenn to the Board of Cleveland. Both Alex and Glenn have been extremely supportive and meaningful shareholders to the Company over a number of years, and I know that their experience, energy and intellect will be of great benefit to the Company."

"I am very happy with the results of this capital raising, particularly given the prevailing conditions within the market place. We believe that we have achieved a great balance of outcomes for investors and shareholders by securing funds to help strengthen the balance sheet and advance the Company's projects, whilst providing all shareholders the opportunity to participate via the SPP. Along with the recently announced option to secure 100% ownership of the Project and the re-structuring of the Platinum debt, we are strongly enhancing our ability to unlock the value of our Brazilian projects."

The Company will soon be contacting shareholders with details on how to participate in the SPP. For further information, please contact the Company by either phone or email. Contact details are listed below and on the footer of this announcement.

## ENDS

### Further Information:

#### Investors:

David Mendelawitz, Managing Director  
Cleveland Mining Company Limited (ASX: CDG)  
Tel: +61-8 6389 6000

#### Media:

Nicholas Read / Paul Armstrong  
Read Corporate  
Tel: +61-8 9388 1474

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## About Cleveland Mining Company Ltd

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

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

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

- Mining and production are underway at Cleveland's Premier 50/50 Gold Mine JV in Goiás State in central Brazil. The Company is working to add throughput from the O Capitão project, which is less than 10km from the Premier Mine.
- The companies have signed binding Option Agreements with the Brazilian private company Bahmex covering multiple iron projects.

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

## Forward-looking Statements

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

## Competent Person's Statement

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

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