Low costs, high margins, outstanding potential in Brazil

Resources Rising Stars – 1 October 2014
Important Information

Disclaimer

This presentation contains certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that Cleveland Mining Company Limited (“Cleveland” or the “Company”) believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “target”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could”, or “might” occur or be achieved and other similar expressions. These forward-looking statements reflect the current internal projections, expectations or beliefs of Cleveland based on information currently available to Cleveland.

Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Cleveland with securities regulatory authorities, that may cause the actual results of Cleveland to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on Cleveland. Cleveland expressly disclaims any obligation to update or revise any such forward-looking statements.
The Gold Price is Good!

Average Australian cost of production

[Graph showing gold price from 1985 to present]
Why Gold and Iron Ore in Brazil?

**GOLD**
- Highly saleable, low barriers to entry (low infrastructure)
- Low-cost production
- Low-risk location

**IRON ORE**
- Potential for high volumes / high income
- Significant expertise in Company
- Simplicity of operations once established
World-class Address

- 280km from National Capital accessed by sealed roads
- Safe, mining-friendly area
- 20,000 person mining and farming town close by
- Cheap hydro-generated power available at site
- Under-developed, yet highly prospective greenstone belt
Staged Development

**Initial Production**
- **Gravity Circuit** (circa 60% recovery)
  - Build team
  - Perfect the basics
  - Generate early revenue

**Improved Efficiency**
- **Cyanide (ILR) and flotation circuit** (90-95% recovery)
  - Significantly improve production and cash flow

**Expanded Production**
- **Expanded Gold Production**
  - Aim to increase head-grade with O Capitão
  - Exploration funded from early cash flows to expand resource and output
Low Mining Unit Costs

<table>
<thead>
<tr>
<th>Mining costs</th>
<th>R$ '000</th>
<th>%</th>
<th>Cost per tonne R$</th>
<th>Cost per tonne AUS$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery Rental</td>
<td>-173</td>
<td>26%</td>
<td>0.49</td>
<td>0.24</td>
</tr>
<tr>
<td>Fuel</td>
<td>(213)</td>
<td>32%</td>
<td>0.61</td>
<td>0.30</td>
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<tr>
<td>Maintenance</td>
<td>(11)</td>
<td>2%</td>
<td>0.03</td>
<td>0.01</td>
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<tr>
<td>Explosives</td>
<td>(100)</td>
<td>15%</td>
<td>0.29</td>
<td>0.14</td>
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<tr>
<td>Services</td>
<td>(16)</td>
<td>2%</td>
<td>0.05</td>
<td>0.02</td>
</tr>
<tr>
<td>Labour</td>
<td>(56)</td>
<td>8%</td>
<td>0.16</td>
<td>0.08</td>
</tr>
<tr>
<td>Geology</td>
<td>(60)</td>
<td>9%</td>
<td>0.17</td>
<td>0.08</td>
</tr>
<tr>
<td>Analysis</td>
<td>(46)</td>
<td>7%</td>
<td>0.13</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>(675)</td>
<td>100%</td>
<td>2</td>
<td>0.98</td>
</tr>
</tbody>
</table>

Tonnes during month 350,000

Labour rates approximately 10% of Australia

Allows for the use of light-weight trucks

Connected to hydroelectricity

- $AUS:$R = 1:2.05
- Includes 8 trucks, 1 excavator, water truck, fuel truck and dozer
- Includes all rented equipment plus 1 owned truck and owned excavator
Near Mine Development Underway
Significant Upside Potential

Garimpo pit +300k ounces

Serra Grande +5 million Ounces

Clear potential for further mineralisation demonstrated by:

- Structures
- Geophysical anomalies
- Geochemical anomalies
- Drilling
- Mining
Drilling at O Capitão Currently Underway

HISTORICAL PRODUCTION
>300 kOz OF GOLD
Bahia and Minas Gerais Iron Ore Joint Venture with BC Iron (ASX: BCI)

**Significant potential**
*Railways being built close to projects*

- Large tenement holding in emerging iron ore provinces
- Total of 1,264 km$^2$ of granted exploration concessions is held in Bahia (194 km$^2$) and northern Minas Gerais (1,070 km$^2$).

**Bahia tenements**
- Multi-kilometres outcropping strike extent identified so far
- Significant Iron Ore intersected in drilling over 6 prospects
- Open access rail under construction

**Minas Gerais tenements**
- New Open Access Rail Planned
Iron Alliance Management

Cleveland Mining
› 5 years in country experience
› Capable Brazilian team
› Operating Premier Gold Mine in Goias, Brazil
› “Ex-Fortescue” Executive team

BC Iron
› Operating the highly successful Nullagine JV Iron Ore Mine in Western Australia
› Strong operational team
› Strong balance sheet

BAHMEX
› Significant local experience
› Former Government executives
› Very strong Government relationships and bureaucracy knowledge
Primary Targets – Don’t believe that Magnetite is bad

- Magnetite hosted in friable itabirite
- Magnetite concentrate from Brazilian itabirite typically produced for <$US12 per tonne compared to circa $AU80 per tonne in Australia
- Higher iron content product compared to hematite
Board of Directors

Exceptional Experience in Delivering Successful Mining Projects

Russell Scrimshaw
Non-Exec. Chairman

– Executive positions with Commonwealth Bank of Australia, Optus, Alcatel, IBM and Amdahl USA.
– Chairman Sirius Minerals Plc (UK)

David Mendelawitz
Managing Director

– Ex-Fortescue Head of Business Improvement
– Geologist 20 years experience with gold and iron ore discovery success
– International Exploration, Mining and Commerce experience

Rick Stroud
Non-Exec. Director

– mining engineer with over 40 years’ experience.
– Experience ranging through operations and corporate, open pit and underground, consulting and contracting.
## Company Overview & Capital Structure

### Cleveland Mining Company Ltd.

<table>
<thead>
<tr>
<th>Issued and Paid Up</th>
<th>Number</th>
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<tr>
<td>Shares</td>
<td></td>
</tr>
<tr>
<td>Shares on issue</td>
<td>241,308,401</td>
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<tr>
<td>Options</td>
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<tr>
<td>Listed options</td>
<td>11,364,998</td>
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<tr>
<td>Unlisted options</td>
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<tr>
<td>Performance Options</td>
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<tr>
<td>Total Options</td>
<td>46,098,665</td>
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</table>

<table>
<thead>
<tr>
<th>ASX Code</th>
<th>CDG</th>
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</thead>
<tbody>
<tr>
<td>Share Price</td>
<td>$0.09</td>
</tr>
<tr>
<td>Market Cap @9c</td>
<td>A$21.7m</td>
</tr>
<tr>
<td>1-year Range</td>
<td>A$0.07 – $0.26</td>
</tr>
<tr>
<td>Debt (at 1/5/14)</td>
<td>~A$2.5m</td>
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<tr>
<td>Jett Convertible Note</td>
<td>$US7.48m</td>
</tr>
<tr>
<td>(Secured against premier JV 100%)</td>
<td>Balance convertible at 14c post 15 September 2014</td>
</tr>
</tbody>
</table>

### Major Shareholders

- Mrs Sarah L. Mendelawitz: 17.43%
- Mr Wang Zhe: 4.99%
- BC Iron (SA) Pty Ltd: 3.66%
- Finook Pty Ltd: 3.22%
- Penwerris Pty Ltd: 2.13%

### Debtor

- Owed to Cleveland by premier JV partner to be paid from 40% of JV partners profit distributions post repayment of Jett Convertible note. ~A$10 m
Investment Highlights

Producing Gold & Exploring Iron Ore in Brazil

1. Producing Low Cost Gold Mine (Premier) with Identified Expansion Potential
   › Achieved gold production in very short time
   › Low Opex, Capex & sovereign risk operating environment

2. Iron Ore Exploration JV with BC Iron Limited (ASX: BCI)
   › Significant targets
   › Open access infrastructure
   › Typical production costs well below Australian costs per tonne

3. Experienced Management team in place with proven track record
   › Clear strategy and focus
   › Significant “skin in the game”
   › History of successful major company and project development – exploration, development, operations, finance & marketing
   › Two Directors held long tenures on the board and operationally at Fortescue Metals Group (ASX: FMG) from FMG’s inception
   › Significant South American and International experience

Majority of early-stage risk now removed & substantial upside potential

Strategy designed to mitigate variable market conditions
Contact

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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.