



## CLEVELAND SIGNS MOU TO DEVELOP BRAZILIAN IRON ORE RESOURCE

### Corporate Information

ASX Code	CDG
Quoted shares million	111.2
Total shares	157.3million
Unlisted options (20c)	34.4 million
Unlisted options (\$18)	16.666

### 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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ACN: 122711880

**Perth, W.A., 23<sup>rd</sup> February, 2012:** Cleveland Mining Company Ltd. (ASX: CDG) is pleased to announce that it has signed a Memorandum of Understanding to acquire and develop a potentially significant Iron Ore Project in Amapá State, Brazil. The agreement is non-binding and subject to due diligence currently being undertaken by the Company.

Exploration drilling and geophysics confirm that the project has the potential to support a Resource of several hundred million tonnes, which could, in turn, support the construction of a major iron ore mine. Exploration potential for greater than a billion tonnes of mineralisation is also apparent within the project, based on the vendor's exploration results.

The Resource is currently being re-modelled by independent consultants to a JORC standard, whilst Cleveland finalises a Binding Option to Purchase Agreement with the vendors.

### HIGHLIGHTS

- 100km<sup>2</sup> concession with iron-ore mineralisation and potential for gold and other minerals
- Significant exploration conducted, including diamond drilling, sampling, trenching and an airborne geophysical survey
- Independent geologist's report written with initial non-JORC Resource of over 300 million tonnes at, or near, surface with an average iron content of 38.6% Fe (Fe<sub>2</sub>O<sub>3</sub> of 55.2%)
- Similar grade to iron ore mines in the region, including those of Anglo American & Cliffs Natural Resources and Zamin Ferrous
- Significant exploration potential, with numerous targets already defined
- Exploration data being independently remodelled to JORC standards by SRK



- A Feasibility Study, based on an initial production rate of circa 5mtpa, is targeted to commence immediately after the data re-modelling and execution of Binding Agreement
- Located approximately 80 kilometres from Macapá, which has an open access port and a population of circa 500,000
- Capacity to tie in with Cleveland's Porto Grande Iron Ore Project, through shared exploration, feasibility study, port and management
- High voltage transmission lines that will run within approximately 20 kilometres commissioned for construction by the government
- Experienced iron ore team
- Funding expected from industry sources via the Company's Hong Kong subsidiary to minimise dilution to shareholders

Managing Director of Cleveland Mining, David Mendelawitz, said that the new project presents an exciting opportunity for Cleveland.

"This stands to be the perfect project for Cleveland. We have one of the most capable iron ore Boards of any junior company and already have a team in Amapá state because we believe that it is a great place to build an iron ore mine," said Mr Mendelawitz.

"Iron mineralisation is abundant, there is under-utilised port connected to the project areas by empty roads, and there is hydroelectricity available or under construction. Now what we need to do is determine the metallurgical properties of the ore to establish how much of it is suitable for sale at a price that supports the development of a large-scale mining centre."

"If the Due Diligence for the new project confirms our belief, we will finalise the contract then launch directly into a Feasibility Study targeting production of 5 million tonnes per annum."

The MOU for the new project comes on the back of excellent initial results for the Company's Porto Grande Iron Ore project, which is also in Amapá state. A subsequent campaign of work is targeted to begin in the next few weeks, following up the recently-found mineralisation and on new targets generated with the aid of geophysics.

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## Cautionary Statement

Please note that the Memorandum of Understanding does not constitute a firm intention or binding commitment on the part of Cleveland and places no contractual or other obligation on Cleveland Mining or its subsidiaries. The Proposed Transaction remains incomplete and indicative and should not be construed as an offer for the project until formal contractual documentation is entered into.

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## **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: Premier, O Capitão, Baú, Guarinhos, Pantera – Gold-focused
- 2) The Canela Hub, central Chile. Expanding portfolio between La Serena and Santiago – Gold/Copper-focused
- 3) The Amapá Hub, Amapá State, northern Brazil. Projects: Porto Grande and Lebre– Iron ore-focused

The Company's most advanced project is the Premier Gold Project, which is currently being prepared for mining. Cleveland also has promising exploration results for projects in all three hubs.

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.