

Cleveland Mining Company Ltd.: Funds Raised to Accelerate Dona Maria Drilling

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Sydney, Aug 4, 2016 - [Cleveland Mining Company Limited](#) (ASX:CDG) is pleased to provide details of a small private placement made to existing sophisticated shareholders. \$AU1.075M was raised through the issue of 17.9M shares @ \$0.06 per share. The placement was co-ordinated by the Company, thus keeping costs to a minimum. The Company targeted a raise of \$1M and was delighted with the positive response to the raise from the very limited group of shareholders contacted. Funds will primarily be used to further the current drilling program, which is being undertaken to lift the resource base and associated mine life of the project as part of a process to re-finance the Company and increase the project value. As previously planned, the bulk of the drilling will be undertaken on the Dona Maria project, though further drilling is also planned for Metago, Mine Gate and Lavra project areas.

Highlights:

- \$AU1.075M raised through private placement to existing sophisticated investors at \$0.06 per share
- Funds will primarily be used to accelerate drilling at Dona Maria Project as part of the current resource expansion project
- Drilling between Dona Maria and Dona Maria South has consistently intersected the mineralised structure over a strike of 1.7km, including the previously announced circa 40,000-ounce resource of Dona Maria and the high grade intersections recorded in initial drilling in the southern extremities of the proposed structure, including 1m @ 21.56 gram per tonne gold (g/t Au) from 94m*,
- Drilling is also planned to continue at other targets across Premier and O Capitão, including the Mine Gate prospect, Metago Open pit extensions and Lavra.

Funds raised are to partially replace funds that were expected, though not received in June. The Company has had significant interest demonstrated by a number of investor groups and is working with these groups and with Platinum Partners LP (the Company's Senior Secured Lender) to determine the optimum finance solution and structure.

About Dona Maria

Dona Maria is a prospect located within Cleveland's O'Capitão project, itself located approximately 10km north of the company's Premier milling facility.

Dona Maria's approximate 40,000 Oz# resource has been interpreted to represent less than 3% of the resource potential contained within the Dona Maria prospect area.

Dona Maria South represents the southern extension of the interpreted mineralisation trend along strike from the Dona Maria project. Initial drilling results provide significant confidence that the interpreted model is most likely accurate, which, if so, provides much enhanced mineral and resource potential.

Whilst further drilling is required to both confirm the extension and delineate resources, the initial results are extremely encouraging, due to:

- correlation with the Dona Maria resource and interpreted mineralised trend,
- the high gold grades intersected from the drilling at Dona Maria South, including 1m @ 21.56 gram per tonne gold (g/t Au) from 94m*,
- the fact that the holes have intersected what appears to be the unit and alteration which hosts the mineralisation located along 1,700m of strike from the known resource,
- Mineralisation remaining open south of the reported drilling.

Cleveland's Managing Director, Mr David Mendelawitz said, "We are very encouraged by the response from the shareholders who participated in the raise. We were able to fill the book with three phone calls, and thus were able to execute very quickly and cheaply, which we see as a testament to the belief that our long-standing shareholders share in our view of the potential of the project. With the success of the initial drilling at Dona Maria and Mine Gate, along with the other areas of mineralisation that we have defined to date across the 24 km² project area, we are confident that this drilling will take us several steps further forwards in demonstrating the value of this highly prospective project."

"We are, and have been for a long time, certain that we are in the right country and location due to its potential and the low unit cost base of the region. Combining what we continue to discover in the project with the increased interest in the gold sector, this a very exciting time for this emerging Company."

*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.

To view the release, please visit:
<http://abnnewswire.net/Ink/M1987H2L>

About Cleveland Mining Co Ltd

Cleveland Mining Company Ltd (ASX:CDG) is an Australian managed, ASX listed minerals company squarely focused on developing projects into mines. The company's management team have a track record for building successful projects from the ground up, providing Cleveland with the expertise to secure and build robust projects. Mining and production are underway at the Premier Gold Mine located in Crixas, in central Brazil. The company is also working to expand production developing the Lavra prospect, within the O Capitaio Project, less than 10km away. 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.

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