



SIGNIFICANT DRILLING RESULTS AT O CAPITÃO GOLD PROJECT

Corporate Information

ASX Code	CDG
Quoted shares	81 million
Total shares	127.6million
Unlisted options (20c)	31.5 million
Unlisted options (\$18)	116,661

Board and Management

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

Contact

Head Office

Cleveland Mining Company Ltd.
1/387 Hay Street
Subiaco WA 6008

T: +61 (08) 9381 3391
F: +61 (08) 9382 1186
E: info@clevelandmining.com.au

Investor & Media Enquiries

T: +61 417 18 1990
E: investors@clevelandmining.com.au

www.clevelandmining.com.au

ACN: 122711880

HIGHLIGHTS

- New area of gold-bearing mineralisation identified at O Capitão Gold Project
- Further drilling has identified host lithologies (assays pending) and mineralisation remains open along strike
- O Capitão is less than 10km from the Cleveland/Edifica Joint Venture Premier Gold Mine
- Edifica has exercised an option agreement for O Capitão, for which it will pay Cleveland circa A\$1million consideration and will contribute equally to all costs going forward. The exercised agreement brings O Capitão into the Premier Joint Venture.

Perth, W.A., 27th July, 2011: Cleveland Mining Company Ltd. (ASX: CDG) is pleased to announce the results of recent drilling at the O Capitão Gold Project targeting the *Dona Maria Garimpo*. The Company has discovered significant gold-bearing mineralisation located less than 10 kilometres from Cleveland's Premier Gold Project.

Drilling has delineated a 250m strike-length of multiple, stacked, mineralised zones with variable down-hole widths ranging from 0.4m to 16.50m per zone. The geology remains open along strike, presenting further exploration potential.

ASSAY HIGHLIGHTS

- 11.00m @ 1.01 g/t Au from 51.00m to 62.00m (CGPDH00032)
- 4.40m @ 3.55 g/t Au from 91.00m to 95.40m (CGPDH00032)
- 7.57m @ 1.99 g/t Au from 79.80m to 87.37m (CGPDH00039)
- 16.50 @ 1.16 g/t Au from 46.40m to 62.90m (CGPDH00038)
- 7.57m @ 1.99 g/t Au from 79.80m to 87.37m (CGPDH00038)

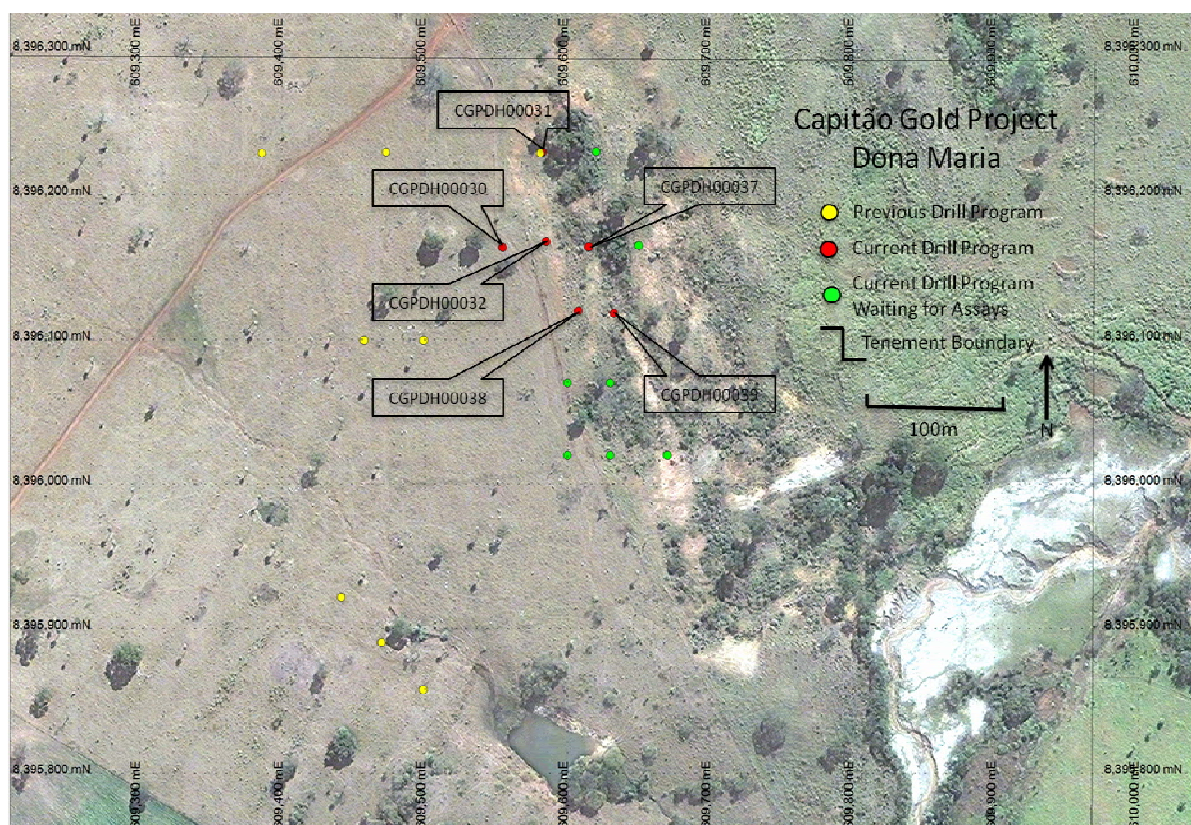
DRILLING SUMMARY

The drilling program aimed to evaluate the mineralisation potential north of the Garimpo Pit and to follow-up mineralised intercepts from the previous drilling program at the Donna Maria Garimpo.

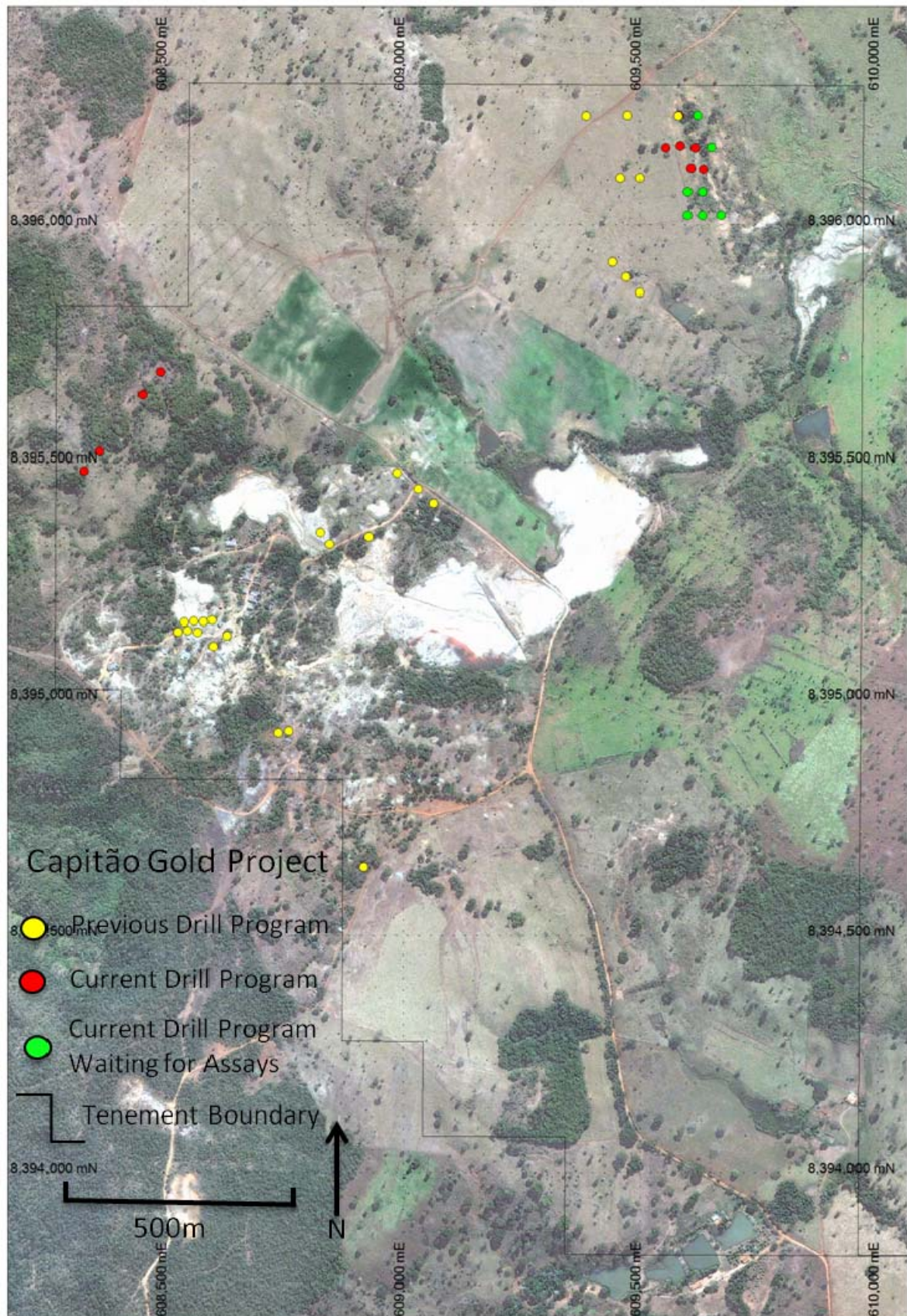
Significant gold-bearing mineralisation was intercepted in four of the six holes drilled at the Dona Maria Garimpo. The mineralisation is hosted within different lithologies from those previously identified in the O Capitão project area and occurs in three distinct horizons associated with an increase in sulphides, biotite alteration and quartz veining. The surface expression of the host lithologies has been identified.

Seven additional holes were drilled to test the continuity of the mineralisation and all holes have intersected the targeted lithology. The assay results for the additional drill holes are pending.

The program consisted of four diamond holes totalling 662.59m targeting the northern extension of the Garimpo Pit and six diamond holes totalling 742.03m targeting the Dona Maria Garimpo.



O Capitão Gold Project – Drilling Dona Maria Target



O Capitão Gold Project – All drilling



Option Agreement Exercised

Edifica Participações Ltda ("Edifica"), Cleveland Mining's Joint Venture partner in the Premier, Guarinhos and Baú projects, has exercised a purchase option for 50% of O Capitão. Edifica will pay Cleveland approximately \$1 million dollars (50% of all costs incurred on the project to date with the final figure still to be determined) to exercise the option and will contribute equally to all costs going forward.

The new joint venture will provide the option to process ore from both Premier and O Capitão at the same facility should mining proceed at O Capitão.

Cleveland Mining Managing Director, David Mendelawitz, said that the new joint venture with Edifica illustrated the Brazilian company's confidence and satisfaction with Cleveland's exploration work at Premier and O Capitão.

"Since Cleveland acquired O Capitão 18 months ago, we have identified high-grade extensions of the old Garimpeiro pit, resolved a formerly disputed ownership status, and have now discovered shallow and potentially significant gold-bearing mineralisation," said Mr Mendelawitz

"I am delighted that we can expand our Joint Venture with Edifica to include O Capitão. Our understanding of mining and exploration fits perfectly with their ability to source projects, to understand the local operating environment, and provide connections and local credibility within Brazil."

"To have O Capitão as part of the Premier Joint Venture, not only allows us to share the exploration and development risks, but also means that we can gain the economies of scale from a centralised plant, thus reducing the barriers to turning mineralisation at O Capitão into an economic resource."

Cleveland has begun transferring the O Capitão tenements into the Joint Venture entity. Soon after the completion of this process, the Company aims to lodge an application to transfer the exploration lease into a mining lease.

ends

Appendix A

Table of Significant Assay Results¹

BHID	Location ²			Orientation		From	To	Composite	
	East	North	Elevation	Dip	Azimuth	(m)	(m)	Interval ³ (m)	⁴ Au g/t
CGPDH00030	609554	8396164	427	-70	090	51.25	52.00	0.75	1.44
CGPDH00030	609554	8396164	427	-70	090	61.00	66.30	5.30	2.71
<i>Including</i>						61.3	62	0.70	17.60
CGPDH00031	609582	8396230	421	-90	000	5.00	7.00	2.00	0.30
CGPDH00031	609582	8396230	421	-90	000	39.50	40.10	0.60	15.90
CGPDH00031	609582	8396230	421	-90	000	45.90	47.00	1.10	0.32
CGPDH00032	609585	8396168	425	-70	090	26.41	26.88	0.47	1.86
CGPDH00032	609585	8396168	425	-70	090	51.00	62.00	11.00	1.01
CGPDH00032	609585	8396168	425	-70	090	63.71	68.66	4.95	0.77
CGPDH00032	609585	8396168	425	-70	090	74.00	82.00	8.00	1.02
CGPDH00032	609585	8396168	425	-70	090	91.00	95.40	4.40	3.55
CGPDH00033	608489	8395690	465	-70	090	No Significant Assay Results			
CGPDH00034	608452	8395643	467	-70	090	No Significant Assay Results			
CGPDH00035	608359	8395522	467	-70	090	No Significant Assay Results			
CGPDH00036	608327	8395481	460	-70	090	No Significant Assay Results			
CGPDH00037	609615	8396164	420	-70	090	7.00	7.92	0.92	1.62
CGPDH00037	609615	8396164	420	-70	090	9.00	10.00	1.00	1.10
CGPDH00037	609615	8396164	420	-70	090	22.00	23.00	1.00	1.11
CGPDH00037	609615	8396164	420	-70	090	30.87	37.28	6.41	0.46
CGPDH00037	609615	8396164	420	-70	090	38.73	40.00	1.27	0.43
CGPDH00037	609615	8396164	420	-70	090	46.00	48.20	2.20	0.59
CGPDH00037	609615	8396164	420	-70	090	76.00	77.00	1.00	1.97
CGPDH00037	609615	8396164	420	-70	090	103.56	109.00	5.44	0.41
<i>Including</i>						108.22	109.00	0.78	1.18
CGPDH00037	609615	8396164	420	-70	090	117.00	119.35	2.35	0.47
CGPDH00037	609615	8396164	420	-70	090	122.00	125.00	3.00	0.43
CGPDH00038	609600	8396120	420	-70	090	5.80	6.80	1.00	0.48
CGPDH00038	609600	8396120	420	-70	090	46.40	62.90	16.50	1.16
CGPDH00038	609600	8396120	420	-70	090	68.65	72.53	3.88	0.38
CGPDH00038	609600	8396120	420	-70	090	79.80	87.37	7.57	1.99
CGPDH00038	609600	8396120	420	-70	090	120.57	121.57	1.00	1.42
CGPDH00038	609600	8396120	420	-70	090	123.41	124.47	1.06	2.38
CGPDH00039	609630	8396120	420	-70	090	6.08	12.80	6.72	2.46
CGPDH00039	609630	8396120	420	-70	090	25.86	35.20	9.34	0.40
CGPDH00039	609630	8396120	420	-70	090	62.05	69.10	7.05	0.42
CGPDH00039	609630	8396120	420	-70	090	115.23	115.63	0.40	2.02

Notes:

¹ Drilling and assay results in the above table are based on down-hole composites. The composites may contain internal dilution as an interval was defined on tenor and geological characteristics (i.e. alteration, veining and mineral species). No upper cut has been applied to the assay results. Composites were reported if the composited grade was greater than 0.30 g/t Au.

² UTM Datum – SAD69.



³ Intervals measure as down the hole intervals.

⁴ Assay results are based on half core (NQ, HQ) 30g fire assay with AAS finish. Sample intervals range from 0.2 to 1m.

About Cleveland Mining

Cleveland Mining is an Australian-managed, publicly-listed minerals company squarely focused on developing projects to owner-operate. Cleveland has eight projects, which are located within three distinct geographical hubs:

- 1) The Crixás Hub, Goiás State, central Brazil. Projects: Premier, O Capitão, Baú, Guarinhos, Pantera – Gold-focused
- 2) The Central West Hub, central Chile. Projects: El Chapo, San Antonio – Gold/Copper-focused
- 3) The Amapá Hub, Amapá State, northern Brazil. Projects: Porto Grande – Ferrous Metals-focused

The Company's most advanced project is the Premier Gold Project, which is currently being prepared for mining. Cleveland has explored several of its other projects with promising results.

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

Andrew Mendelawitz

investors@clevelandmining.com.au

+61 417 181 990

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Aaron Tomsett, who is a Member of The Australian Institute of Geoscientists. Mr Tomsett 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 Tomsett consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Tomsett is employed by Cleveland Mining Company Ltd.

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.