CLEVELAND
MINING COMPANY LTD

Cleveland Mining Company Limited

ABN 85 122 711 880

Annual Report
2011

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Corporate Directory

Directors

Mr David Mendelawitz	Managing Director
Mr Don Bailey	Non-Executive Chairman
Mr Aaron Finlay	Finance Director
Mr Jim Williams	Non-Executive Director
Mr Russell Scrimshaw	Non-Executive Director

Company Secretary

Mr Aaron Finlay

Registered Office

c/- Mendelawitz Morton Corporate Lawyers
Gryphon House
39 Richardson Street
West Perth WA 6005

Principal Place of Business

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Contact Details

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Solicitors to the Company

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Gryphon House
39 Richardson Street
West Perth WA 6005

Share Registry

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Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000

Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

Auditors

Deloitte Touche Tohmatsu
Level 14
240 St George's Terrace
Perth WA 6000

Stock Exchange

Australian Securities Exchange
2 The Esplanade
Perth WA 6000

ASX Code: CDG

The directors of Cleveland Mining Company Limited submit herewith the annual report of the Company for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors and senior management

The names and details of the directors in office at any time during or since the end of the year are as follows. All directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Mr David Mendelawitz – Managing Director
Appointed 16 June 2010

David Mendelawitz has extensive international experience in exploration, mining and commerce. His most recent role was as Head of Business Improvement at Fortescue Metals Group Ltd, in which he drove projects in exploration, project construction, mine and infrastructure optimisation and expansion planning. David has a track-record for success both as a geologist and in the corporate aspects of large minerals projects.

Over the past three years David has not held directorships with any ASX-listed companies other than Cleveland Mining Company Limited.

Mr Don Bailey – Non-Executive Chairman
Appointed 10 September 2010

Prior to the purchase of Lionore by Norilsk Nickel, Don Bailey was Chairman of Lionore Mining Ltd after previously holding the positions of CEO and a founder shareholder of Lionore. Don was also Chairman of BCL Ltd.

Prior to Lionore, Don was Deputy Mining Director of Rio Tinto plc, responsible for the Company's operations in South America, Southern Africa and Continental Europe.

As a mining engineer Don spent 30 years with RTZ (Rio Tinto) and was directly involved in the development of major international projects including Moro d’Oro, Brazil (gold); Escondida, Chile (copper); Neves Corvo, Portugal (copper). He was also responsible for a wide range of other projects including mining / smelting / refining operations with Rio Tinto Minera in Spain and Empress Nickel Ltd in Zimbabwe. He was a Director of Palabora Copper Ltd in South Africa and Rossing Uranium Ltd in Namibia.

Over the past three years Don has not held directorships with any ASX-listed companies other than Cleveland Mining Company Limited.

Mr Aaron Finlay – Finance Director and Company Secretary
Appointed 16 June 2010

Aaron Finlay is a Chartered Accountant and Chartered Company Secretary with over 20 years’ experience in the accounting and finance profession. Aaron was previously Chief Financial Officer and Company Secretary for ASX-listed Mayne Pharma Group Limited. Prior to this he was INVESCO Australia's Chief Financial Officer where he had responsibility for the operations of finance, as well as the compliance, legal, and human resources functions. Prior to that position, Aaron was head of group tax and treasury for INVESCO's global operations based in London and worked for PricewaterhouseCoopers in London and Perth for 7 years. Aaron is currently joint Company Secretary of ASX-listed Tawana Resources NL.

Over the past three years Aaron has held directorships with the following ASX-listed companies:

Company	***Commenced***	***Ceased***
GSF Corporation Ltd	1 December 2006	8 October 2008
ETW Corporation Ltd	31 March 2008	29 January 2010

Mr Jim Williams – Non-Executive Director
Appointed 16 June 2010

Jim Williams has more than 50 years of mining engineering and corporate experience. He was a founding member of the Fortescue Metals Group Ltd, where he went on to hold the position of Head of Mining.

Jim has served as Chief Mining Engineer for Bechtel in Australasia, Principal Mining Consultant for Minproc Engineers and CEO for Laverton Gold. He is a graduate of the Camborne School of Mines, is a Chartered Engineer and a Fellow of the AusIMM, in which he served as the Chairman of the Perth Branch.

Over the past three years Jim has held directorships with the following ASX-listed companies:

Company	***Commenced***	***Ceased***
Wolf Minerals Limited	17 February 2009	-

Mr Russell Scrimshaw – Non-Executive Director
Appointed 5 July 2011

Russell Scrimshaw recently retired as Executive Director and Deputy CEO of Fortescue Metals Group Ltd where he was part of the key management team that completed FMG's history-making iron ore mine, port and rail start up. At Fortescue, he was a lead member of the team that raised A$2.7 billion in what was the largest ever high-yield Asia Pacific transaction, the largest ever high-yield bond raising, one of the largest corporate bonds out of Australia, and one of the largest in the resource sector worldwide. Russell has negotiated billions of dollars of off-take agreements, signing agreements with approximately 50 steel mills, including all ten of China's top ten steel mills. Russell is also a Non-Executive Director of London Stock Exchange-listed Sirius Minerals Plc.

Prior to Fortescue Metals, Russell was a board member of Commonwealth Properties Ltd, EDS Australia, Mobilesoft Ltd, Telecom New Zealand Australia Pty Ltd, The Garvan Institute Foundation and Athletics Australia. He previously held executive positions within the Commonwealth Bank of Australia, Optus, Alcatel, IBM and Amdahl USA.

Over the past three years Russell has held directorships with the following ASX-listed companies:

Company	***Commenced***	***Ceased***
Fortescue Metals Group Ltd	16 October 2003	26 August 2011

The following table sets out each of the directors' relevant interest in shares and rights in options in shares of the Company as at the date of this report:

Name	***Number of fully paid ordinary shares***	***Number of options over ordinary shares***
Mr D Mendelawitz	37,448,015	6,800,000
Mr J Williams	3,123,131	3,000,000
Mr D Bailey	1,510,017	3,800,000
Mr A Finlay	1,562,086	5,500,000
Mr R Scrimshaw	360,348	3,250,000

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report on pages 11 to 15.

Share options granted to directors and senior management

With the exception of the 3,000,000 share options granted to Russell Scrimshaw on 5 July 2011 on his appointment to the Board of Directors (subject to shareholder approval), during and since the end of the financial year no share options were granted to directors or senior management as part of their remuneration.

As part of the group reorganisation completed effective 23 September 2010, in which Cleveland Mining Company Limited acquired 100% of the issued share capital of Cleveland Mining Limited, all options previously issued to the directors and senior management of Cleveland Mining Limited were replaced with options in Cleveland Mining Company Limited on a one for one basis. No other share options were issued to directors or senior management during the current year.

Company Secretary

Mr Aaron Finlay. The details of the Company Secretary's qualifications and experience are detailed on page 4.

Principal activities and significant changes in affairs

Cleveland Mining Company Limited ("Cleveland") is an Australian-managed public minerals company focused on developing projects into operating mines. Cleveland's ability to deliver comes from its management team and board, who have successfully led high-profile projects across the world; and its partners, who provide local strength. This experience uniquely positions the Company to acquire quality projects and develop them with stability, sustainability and profits squarely in mind.

The Company has a different approach to project selection, with project economics driving target selection as well as geological prospectivity, local costs and infrastructure being rigorously scrutinised before entering into a project. Projects are assessed according to their potential to generate returns at the bottom of the commodity price cycle.

On 15 September 2010, the Company announced the successful closing of the capital raising under the prospectus dated 11 August and the allotment of 30,000,000 shares raising $6 million, subject to the completion of the acquisition of Cleveland Mining Limited.

On 23 September 2010, Cleveland Mining Company Limited acquired 100% of the issued share capital of Cleveland Mining Limited, an unlisted public company. Under the terms of the acquisition the shareholders of Cleveland Mining Limited received 1.0414 Cleveland Mining Company Limited shares for every share in Cleveland Mining Limited, resulting in the issue of 78 million shares in Cleveland Mining Company Limited. Options in Cleveland Mining Company Limited were issued in consideration for Cleveland Mining Limited options held on a one for one basis resulting in the issue of 5,002,000 options in Cleveland Mining Company Limited. A further 29.5 million performance options were issued, subject to performance conditions.

Effective 19 October 2010 the Company relisted on the Australian Securities Exchange.

Operating results

The loss of the consolidated entity for the year ended 30 June 2011 after providing for income tax amounted to $2,906,407 (2010: $514,403 loss).

Financial position

The net assets of the consolidated entity were $9,942,167 as at 30 June 2011 (2010: $2,910,495).

Review of operations

Premier Gold Project (JV 50%)

The Company identified a foundation resource of 1.95 million tonnes at 1.42 Au g/t for an inferred resource of 88,900 ounces (at a 0.3gt cut-off) for the Premier Gold Joint Venture (50%) Project, reported in accordance with the 2004 JORC Code. The Inferred Resource is based on 240 drill holes, of which 139 are historical drill holes (7,896m) and 101 are Cleveland's recent diamond drill holes (9,970m).

The mineralisation begins at the surface and the majority is located less than 75m deep. Further potential exists to northwest and to the east.

The existing infrastructure at Premier is likely to reduce the start-up capital requirements based on the conclusions of the mining and engineering study. The mining and engineering study was reviewed by the Company's Board of Directors and subsequently granted approval for mining.

The Company is finalising the equipment selection and environmental licenses. An Operations Manager has joined the Premier Joint Venture and will take responsibility for mine construction and management.

Exploration

Crixas Hub, Brazil

A small drilling program at O Capitão intercepted good grades stepping back from the garimpo pit. Additional drilling in an unexplored area of the tenement during March has identified a new zone of mineralisation.

At Bau the Company has undertaken a RAB drilling program consisting of 95 holes for 5,470m of shallow drilling and has followed up during the year with a diamond core drilling program.

A RAB drill hole program was conducted in the Guarihos project and consisted of 42 shallow holes totaling 2,342m. The results provided sufficient encouragement for the Company to plan a follow-up drilling program, the timing of which depends on results of other projects.

At Pantera reprocessing of the VTEM dataset collected by Votorantim Metals was conducted in conjunction with down-hole geophysics in the historical drill holes. These results will be used to plan a future drilling program at Pantera.

Central West Hub, Chile

In early June, Cleveland signed a Letter of Intent over the San Antonio Copper/Gold Project in Chile. Cleveland geologists are encouraged by results obtained in preliminary exploration phase. A follow up IP survey and subsequent drilling is planned, the timing of which depends on the results of other projects.

At El Chapo trenching, chip sampling, detailed geological mapping and soil geochemistry sampling was conducted. Ground magnetic geophysics, petrological and geochemical studies were carried out prior to Cleveland's involvement with the project.

The El Incienso assay results did not confirm the historic copper or gold grades and consequently the Letter of Intent was not converted into a Joint Venture partnership.

Porto Grande, Brazil

In April, Cleveland announced the acquisition of the 1,000km^2 Porto Grande iron ore project in the northern Brazilian state of Amapá. The greenfields tenement package is located in the same region where iron ore projects are held by Anglo American, Cliffs Natural Resources, Vale and Beadell Resources.

The Porto Grande Project is approximately 100km from the port of Macapa and infrastructure in the region is considered to be excellent. The site is approximately 5km from sealed roads, 25km from a railway, the town of Ferreira Gomes is located 20km away, and a hydro-electrical power facility is located on the tenement's southern boundary.

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.

Dividends paid or recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Events subsequent to balance date

On 5 July 2011, the Company announced the appointment of Mr Russell Scrimshaw to the Board as a Non-Executive Director. It is anticipated that Mr Scrimshaw's extensive experience in both mining and finance will greatly contribute to the Company's immediate activities and its long-term development.

On 27 July 2011, the Company announced the results of 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.

On 27 July 2011, the Company announced that 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 (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.

On 17 August 2011, the Company announced that it had issued 3 million options exercisable at 36 cents and expiring on 31 December 2015 to Mr Russell Scrimshaw, following shareholder approval of the issue.

On 18 August 2011, the Company announced that it has received the Initial Installation Permit for the Premier Gold Mine, giving the Company the confidence to place orders for several key pieces of process plant equipment and maintain its momentum towards fast-tracked production.

On 14 September 2011, the Company announced that it has completed a $10.1 million placement to sophisticated, professional and institutional investors. A total of 29.7 million new ordinary shares will be issued at $0.34 per share, a small premium to the Company's 10 day Volume Weighted Average Price prior to entering the trading halt.

Future developments, prospects and business strategies

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental issues

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations at all times.

Meetings of directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number eligible to attend	Number attended
Mr D Mendelawitz	11	11
Mr D Bailey	9	9
Mr A Finlay	11	11
Mr J Williams	11	11

As a result of the stage of the Company's development, during the year the full Board fulfilled the roles of remuneration, nomination and audit committees.

Shares under option or issued on exercise of options

At the date of this report, the unissued ordinary shares of Cleveland Mining Company Limited under option are as follows:

Details	*Date of expiry of options*	*Exercise price of options*	*Number under option*
Unlisted options	31 Jan 2012	$18.00	99,995
Unlisted options	3 Sep 2012	$18.00	16,666
Unlisted options	31 Dec 2014	$0.20	4,952,000
Unlisted options	31 Dec 2015	$0.20	26,500,000
Unlisted options	31 Dec 2015	$0.36	3,000,000
			34,568,661

During the years ended 30 June 2011 and 30 June 2010, no options were exercised. Subsequent to the year end, on 1 September 2011, 50,000 options were exercised at an exercise price of $0.20 per option.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Indemnifying officers or auditor

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

The Company did not engage the external auditor to provide any non-audit services during or since the end of the financial year.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 23 of annual report.

REMUNERATION REPORT (Audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Cleveland Mining Company Limited's directors and its senior management for the financial year ended 30 June 2011. The prescribed details for each person covered by this report are detailed below under the following headings:

- Directors and senior management details
- Remuneration policy
- Relationship between the remuneration policy and Company performance
- Key terms of employment contracts

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

- Mr D Mendelawitz (Managing Director)
- Mr D Bailey (Non-Executive Chairman) – appointed 10 September 2010
- Mr A Finlay (Finance Director)
- Mr J Williams (Non-Executive Director)
- Mr R Scrimshaw (Non-Executive Director) – appointed 5 July 2011

The term "senior management" is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Mr Z Reeves (Principal Exploration Geologist) – resigned 13 June 2011
- Mr A Tomsett (Geology Manager)
- Mr A Santos (Brazilian Commercial Manager)

Remuneration policy

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice is obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

In considering the Group's performance and its effect on shareholder wealth, the Board have regard to a broad range of factors, primarily related to financial and operational performance, the development progress towards production on the Company's projects, results and evaluation of exploration activities etc. Excluding remuneration in the form of share-based payments, which are discussed further below, the Company is of the view that any adverse movement in the Company's share price related to an industry trend or other similar non-specific economic condition should not be a punitive factor in assessing the performance of individuals.

Performance-based remuneration

The Board recognises that Cleveland Mining Company Limited operates in a global environment. To prosper in this environment the Company must attract, motivate and retain key executive staff.

The principles supporting the Company's remuneration policy are that:

- Reward reflects the competitive global market in which we operate;
- Rewards to executives are linked to creating value for shareholders. Reward in the form of options where possible take the form of options with exercise prices materially above the share price at the time of grant;
- Remuneration arrangements are equitable and facilitate the development of senior management across the company; and

- Where appropriate senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders.

Market comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the Company to reward key employees when they deliver consistently high performance.

Relationship between the remuneration policy and company performance

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the two years to 30 June 2011:

	30 June 2011 $	30 June 2010 $
Revenue	97,477	1,443
Net loss before tax	(2,906,407)	(479,395)
Net loss after tax	(2,906,407)	(514,403)
Share price at start of year	* 0.29	N/A
Share price at end of year	0.29	N/A
Basic earnings per share – loss (cents)	(2.69)	(1.05)
Diluted earnings per share – loss (cents)	(2.69)	(1.05)

* $0.29 is the opening share price as at the date Cleveland Mining Company Limited relisted on the stock exchange, being 19 October 2010.

As outlined elsewhere in the Directors' report and the notes to the financial statements, as part of the group reorganisation completed effective 23 September 2010, in which Cleveland Mining Company Limited acquired 100% of the issued share capital of Cleveland Mining Limited, all options previously issued to the directors and senior management of Cleveland Mining Limited were replaced with options in Cleveland Mining Company Limited on a one for one basis. Some of the options issued contain non-market vesting conditions aligned with the technical goals of the Company, including the completion of certain Definitive Feasibility Studies or Wet Commissioning of the first full scale process plant. Should any of the vesting conditions fail to be achieved, the related share options will not vest, consequently there is a direct link between the creation of shareholder wealth and share based payments.

Remuneration of directors and senior management

During the year the salary of the Executive Directors has been capped at $150,000 per annum.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Board determines actual payments to directors and reviews their remuneration annually based, on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of the Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

The remuneration for each Director and member of senior management was as follows:

	Short-term employee benefits			Post employment Benefits	Share-based payments	Total	Perform-ance related
	Salary and fees	Bonus	Non-monetary	Super-annuation			
	$	$	$	$	$	$	%
2011							
Directors							
David Mendelawitz	123,214	-	-	11,089	-	134,303	-
Don Bailey	23,917	-	-	-	-	23,917	-
Aaron Finlay	123,214	-	-	11,089	-	134,303	-
Jim Williams	25,000	-	-	-	-	25,000	-
	295,345	-	-	22,178	-	317,523	
Key Management Personnel							
Zeffron Reeves	144,231	-	-	12,981	-	157,212	-
Aaron Tomsett	150,000	-	-	13,500	-	163,500	-
Andrei Santos	159,727	-	-	-	-	159,727	-
	453,958	-	-	26,481	-	480,439	
	749,303	-	-	48,659	-	797,962	
2010							
Directors							
David Mendelawitz	-	-	-	-	-	-	-
Don Bailey	-	-	-	-	-	-	-
Aaron Finlay	-	-	-	-	-	-	-
Jim Williams	-	-	-	-	-	-	-
	-	-	-	-	-	-	
Key Management Personnel							
Zeffron Reeves	115,385	-	-	10,384	-	125,769	-
Aaron Tomsett	103,846	-	-	9,346	-	113,192	-
Andrei Santos	146,596	-	-	-	-	146,596	-
	365,827	-	-	19,730	-	385,557	
	365,827	-	-	19,730	-	385,557	

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses

During the years ended 30 June 2011 and 30 June 2010, no bonuses were granted as remuneration.

Employee share option plan

An employee share option plan has been established where directors and employees of the Company may be issued with options over the ordinary shares of Cleveland Mining Company Limited. Shareholders approved the plan at a meeting of shareholders held on 2 September 2010. The options, issued for nil consideration, are issued in accordance with guidelines established by the directors of Cleveland Mining Company Limited.

Each employee share option converts into one ordinary share in Cleveland Mining Company Limited on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the financial year, the following share options were in existence:

Option series	*Details*	*Grant date*	*Expiry date*	*Exercise price*	*Grant date fair value*	*Vesting date (i)*
1	Unlisted options	Before 1 Jul 2010	31 Jan 2012	$18.00	-	Before 1 Jul 2010
2	Unlisted options	Before 1 Jul 2010	3 Sep 2012	$18.00	-	Before 1 Jul 2010
3	Unlisted options	23 Sep 2010	31 Dec 2014	$0.20	-	23 Sep 2010
4	Unlisted options	23 Sep 2010	31 Dec 2015	$0.20	-	Various

(i) There are no further services or performance criteria that need to be met in relation to options granted under series (1) – (3) before the beneficial interest vests to the recipient. Recipients of Option Series 4 are entitled to the beneficial interest under the option when various performance conditions are satisfied and only if they continue to be employed with the Company at the time. The performance conditions attached to Series 4 are as follows:

(a) 9,833,333 Performance Options vest on the 1 millionth ounce of Inferred Resource identified;

(b) 9,833,333 Performance Options vest upon completion of the first Definitive Feasibility Study; and

(c) 9,833,334 Performance Options vest on completion of wet commissioning of the first full scale process plant.

No share options were issued to directors and senior management as part of their remuneration during the current year.

The following share options were issued to the directors and senior management as part of the group reorganisation completed effective 23 September 2010, in which Cleveland Mining Company Limited acquired 100% of the issued capital of Cleveland Mining Limited. As part of this transaction all options previously issued to the directors and senior management of Cleveland Mining Limited were replaced with options in Cleveland Mining Company Limited on a one for one basis.

	Granted	During the financial year Vested	Vested	Forfeited	Percentage of compensation consisting of options
	Number	Number	%	%	%
David Mendelawitz	6,800,000	-	-	-	-
Don Bailey	3,800,000	-	-	-	-
Aaron Finlay	5,500,000	-	-	-	-
Jim Williams	3,000,000	-	-	-	-
Zeffron Reeves	3,000,000	-	-	100	-
Aaron Tomsett	3,050,000	-	-	-	-
Andrei Santos	3,000,000	-	-	-	-

During the year no share options were exercised by the directors or members of senior management.

Employment contracts of directors and senior executives

The Company has entered into standard employment agreements (fixed remuneration and equity-based incentives) with all executive directors and senior management. These agreements provide for an indefinite period of appointment, and may be terminated by either party at 3 months' notice. No termination payments are payable on termination of employment.

None of the non-executive directors have employment contracts with the Company.

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

DAVID MENDELAWITZ
Managing Director

Dated at Perth this 30th day of September 2011

The Company is committed to implementing high standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations and has adopted practices that are largely consistent with those ASX guidelines.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2011.

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the director's report. At the date of this report, the Board comprises a majority independent directors following the appointment of Mr Russell Scrimshaw as a director on 5 July 2011.

The Board sets out below its report in relation to those matters of corporate governance:

Recommendation		***Cleveland Mining Company Limited current practice***
1.1	Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations and strives to meet those expectations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The role of the Board is to oversee and guide the management of the Company with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders including employees and the wider community. The Board has adopted a formal Charter, which clearly establishes the relationship between the Board and management and describes their functions and responsibilities. The Board is responsible for setting the strategic direction of the Company, establishing goals for management and monitoring the achievement of those goals. The Board is currently responsible for the day to day management of the Company.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Given the circumstances, the Board has not adopted any formal procedures for the review of the performance of senior executives, however the Board has committed to an informal assessment process, facilitated by the Chief Executive Officer in consultation with professional advisors, which is currently considered to meet the Board's obligations sufficiently. The performance of Directors is discussed at 2.5 below.
1.3	Companies should provide the information indicated in the Guide for reporting on Principle 1.	Refer 1.1 above

Recommendation		Cleveland Mining Company Limited current practice
2.1	A majority of the board should be independent directors.	While the Board did not consist of a majority of independent directors for the financial year ended 30 June 2011, as at the date of this report, following the appointment of Mr Russell Scrimshaw as a director on 5 July 2011, the majority of Directors are considered independent.
2.2	The chair should be an independent director.	The Company appointed Mr Don Bailey as an independent Chairman on 14 September 2010.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	The role of chair is held by Mr Don Bailey and the role of Managing Director is held by Mr David Mendelawitz.
2.4	The board should establish a nomination committee.	The Board is in the process of establishing a nomination committee following the appointment of Mr Russell Scrimshaw as a director on 5 July 2011. Members of the committee will comprise independent directors.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Board has not adopted any formal procedures for the review of the performance of the Board, however the Board has committed to an informal assessment process, facilitated by the Board in consultation with professional advisors, which is currently considered to meet the Board's obligations sufficiently.
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2	Refer 2.1 to 2.5 inclusive above
3.1	Companies should disclose a code of conduct and disclose the code or a summary of the code as to: ▪ The practices necessary to maintain confidence in the company's integrity ▪ The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company has adopted a Code of Conduct. The Code covers a broad range of issues and refers to those practices necessary to maintain confidence in the Company's integrity, including procedures in relation to: • compliance with the law; • financial records; • contributions to political parties, candidates or campaigns; • occupational health and safety; • confidential information; • conflict of interest; • efficiency; • equal opportunity; • corporate bribery; and • membership to industry and professional associations. The Code directs individuals to report any contraventions of the Code to their superior or the Chief Executive Officer.

Recommendation		Cleveland Mining Company Limited current practice
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Company has adopted a Securities Trading Policy. The policy summarises the law relating to insider trading and sets out the policy of the Company on directors, officers, employees and consultants dealing in securities of the Company. This policy is provided to all directors and employees and compliance with it is reviewed on an ongoing basis in accordance with the Company's risk management systems.
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Refer 3.1 and 3.2 above
4.1	The board should establish an audit committee.	The Board is in the process of establishing an audit committee following the appointment of Mr Russell Scrimshaw as a director on 5 July 2011. Members of the committee will comprise independent directors.
4.2	The board committee should be structured so that it: ▪ Consists only of non-executive directors ▪ Consists of a majority of independent directors ▪ Is chaired by an independent chair, who is not chair of the board ▪ Has at least three members	Refer 4.1 above
4.3	The audit committee should have a formal charter.	Refer 4.1 above
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	Refer 4.1 above
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has established policies and procedures in order to comply with its continuous and periodic disclosure requirements under the *Corporations Act 2001* (Commonwealth) and the ASX Listing Rules. The Board has adopted a formal Continuous Disclosure Policy which is consistent with the informal policies and practices of the Board that were in place prior to the formal adoption of the Continuous Disclosure Policy document.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	Refer 5.1 above

Recommendation		Cleveland Mining Company Limited current practice
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	The Board's formal policy on communicating with shareholders is its Communications Strategy Policy. The aim of the Communications Strategy Policy is to make known the Company's methods for disclosure to shareholders and the general public. The Policy details the steps between disclosure to ASIC and ASX and communication to shareholders, with the Company's website playing an important role in Company's communications strategy.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Refer 6.1 above
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Refer 7.2 below
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Board accepts that taking and managing risk is central to building shareholder value and the Board is responsible for the Company's risk management strategy. Management is responsible for implementing the Board's strategy and for developing policies and procedures to assist the Board to identify, manage and mitigate the risks across the Company's operations. The Company employs executives and where necessary retains consultants each with the requisite experience and qualifications to enable the Board to manage the risks to the Company.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Company has received declarations from the Managing Director and the Finance Director in accordance with section 295A of the Corporations Act.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Refer 7.2 and 7.3 above
8.1	The board should establish a remuneration committee.	The Board is in the process of establishing a remuneration committee following the appointment of Mr Russell Scrimshaw as a director on 5 July 2011. Members of the committee will comprise independent directors.

Recommendation		Cleveland Mining Company Limited current practice
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Refer 8.1 above and 8.3 below.
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8	A brief discussion on the Company's remuneration policies in respect of directors and executives is set out on pages 11 and 12 of this annual report.

The Company notes the Council's amendments to the Principles and Recommendations made on 30 June 2010, which apply to a listed entity's first financial year commencing on or after 1 January 2011.

In the case of the Company, disclosure in relation to the amended Principles and Recommendations will be required for the financial year ending 30 June 2012, and will be included in the annual report for that year. Cleveland Mining Company Limited is reviewing its current position and policies in relation to the key areas of these amendments, including gender diversity and board selection processes.

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Cleveland Mining Company Limited

Report on the Financial Report

We have audited the accompanying financial report of Cleveland Mining Company Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 24 to 57.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cleveland Mining Company Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Cleveland Mining Company Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Cleveland Mining Company Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountants
Perth, 30 September 2011

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors
Cleveland Mining Company Limited
Level 1
387 Hay Street
Subiaco WA 6008

30 September 2011

Dear Directors

Auditors Independence Declaration to Cleveland Mining Company Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cleveland Mining Company Limited.

As lead audit partner for the audit of the financial statements of Cleveland Mining Company Limited for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountants

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2011

	Note	2011 $	2010 $
Interest income		97,447	1,443
Administrative expenses		(538,640)	(90,616)
Consultancy and legal expenses		(181,204)	(100,425)
Compliance and regulatory expenses		(82,147)	(2,410)
Depreciation expense	9	(31,484)	(9,740)
Director and employee-related expenses	9	(1,005,664)	(177,007)
Promotion and communication		(94,591)	(25,521)
Travel and accommodation expenses		(219,288)	(66,380)
Expenses relating to Deed of Company Arrangement		(62,500)	-
Facilitator share expense	20	(500,000)	-
Write down of exploration expenditure	13	(259,324)	-
Other expenses		(29,012)	(8,739)
Loss from ordinary activities before income tax expense		(2,906,407)	(479,395)
Income tax expense	7	-	(35,008)
Loss for the year		(2,906,407)	(514,403)
Other comprehensive income, net of income tax			
Exchange differences on translating foreign operations		(270,850)	47,375
Other comprehensive income for the year, net of tax		(270,850)	47,375
Total comprehensive income / (loss) for the year attributable to members of the Company		(3,177,257)	(467,028)
Basic loss per share (cents)	8	(2.69)	(1.05)
Diluted loss per share (cents)		(2.69)	(1.05)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
as at 30 June 2011

	Note	2011 $	2010 $
Current assets			
Cash and cash equivalents	19(a)	2,747,804	1,350,990
Trade and other receivables	10	170,617	10,487
Other assets	11	28,974	66,164
Total current assets		2,947,395	1,427,641
Non-current assets			
Receivables	10	-	11,851
Plant and equipment	12	82,542	67,057
Capitalised exploration expenditure	13	7,206,065	1,535,833
Total non-current assets		7,288,607	1,614,741
Total assets		10,236,002	3,042,382
Current liabilities			
Trade and other payables	14	235,714	115,246
Provisions	15	58,121	16,641
Total current liabilities		293,835	131,887
Total liabilities		293,835	131,887
Net assets		9,942,167	2,910,495
Equity			
Issued capital	16	13,586,452	3,377,523
Reserves	17	(223,475)	47,375
Accumulated losses	18	(3,420,810)	(514,403)
Total equity		9,942,167	2,910,495

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2011

	Note	2011 $	2010 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,143,997)	(568,112)
Interest received		97,447	1,443
Interest paid		(2,228)	-
Taxes paid		-	(35,069)
Net cash used in operating activities	19(b)	(2,048,778)	(601,738)
Cash flows from investing activities			
Payments for plant and equipment		(87,710)	(76,797)
Payments for exploration expenditure		(5,996,175)	(1,271,897)
Payments for group reorganisation		-	(62,500)
Net cash used in investing activities		(6,083,885)	(1,411,194)
Cash flows from financing activities			
Proceeds from issue of shares		10,986,891	3,432,129
Share issue costs		(1,277,962)	(54,606)
Net cash provided by financing activities		9,708,929	3,377,523
Net increase in cash and cash equivalents held		1,576,266	1,364,591
Cash and cash equivalents at the beginning of the financial year		1,350,990	-
Effect of exchange rate changes on the balance of cash held in foreign currencies		(179,452)	(13,601)
Cash and cash equivalents at the end of the financial year	19(a)	2,747,804	1,350,990

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2011

	Issued capital $	Foreign currency translation $	Accumulated losses $	Total $
Balance at 1 July 2009	-	-	-	-
Loss for the period	-	-	(514,403)	(514,403)
Other comprehensive income for the year	-	47,375	-	47,375
Total comprehensive income for the year	-	47,375	(514,403)	(467,028)
Shares issued	3,432,130	-	-	3,432,130
Share issue costs	(54,607)	-	-	(54,607)
Balance at 30 June 2010	3,377,523	47,375	(514,403)	2,910,495
Balance at 1 July 2010	3,377,523	47,375	(514,403)	2,910,495
Loss for the year	-	-	(2,906,407)	(2,906,407)
Other comprehensive income for the year	-	(270,850)	-	(270,850)
Total comprehensive loss for the year	-	(270,850)	(2,906,407)	(3,177,257)
Shares issued	11,486,891	-	-	11,486,891
Share issue costs	(1,277,962)	-	-	(1,277,962)
Balance at 30 June 2011	13,586,452	(223,475)	(3,420,810)	9,942,167

The accompanying notes form part of these financial statements.

1. General information

The Cleveland Mining Company Limited is a limited company incorporated in Australia and operating in Brazil, Chile and Hong Kong. Cleveland Mining Company Limited's registered office and its principal place of business are as follows:

Registered office
c/- Mendelawitz Morton Corporate Lawyers
Gryphon House
39 Richardson Street
West Perth WA 6005

Principal place of business
Level 1
387 Hay Street
Subiaco WA 6008

The Group's principal activities are the exploration of gold and iron-ore.

2. Adoption of new and revised Accounting Standards

(a) New standards and interpretations adopted

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Adoption of these standards has had no impact on the Group's Financial Statements:

Standard or Interpretation	Nature of Change
Amendments to AASB 7 'Financial Instruments: Disclosure' (adopted in advance of effective date of 1 January 2011)	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'	Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project' that the disclosure requirements in Standards other than AASB 5 do not generally apply to noncurrent assets classified as held for sale and discontinued operations.
Amendments to AASB 101 'Presentation of Financial Statements' (adopted in advance of effective date of 1 January 2011)	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
Amendments to AASB 107 'Statement of Cash Flows'	The amendments (part of AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

2. Adoption of new and revised Accounting Standards (continued)

(a) New standards and interpretations adopted (continued)

Standard or Interpretation	Nature of Change
AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process	AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* specify amendments resulting from the IASB's annual improvement project to various Australian accounting standards and interpretations. As permitted, the group has early adopted most of the amendments in AASB 2009-5. However, the amendments to AASB 117 *Leases* have not been early adopted. Adoption of these amendments will potentially result in the reclassification of several leases over land as finance leases. The amendments, which apply retrospectively to unexpired leases from 1 July 2010, remove the guidance from AASB 117 which effectively prohibited the classification of leases over land as finance leases. It is not practical to provide a reasonable estimate of the impact of this amendment until a detailed review of existing leases has been completed.
AASB 2009-8: Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions AASB 2.	The application of AASB 2009-8 makes amendments to AASB 2 'Share-based Payment' to clarify the scope of AASB 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.
AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues	The application of AASB 2009-10 makes amendments to AASB 132 'Financial Instruments: Presentation' to address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments.
AASB 2010-3: Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The application of AASB 2010-3 makes amendments to AASB 3(2008) 'Business Combinations' to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, the application of AASB 2010-3 makes amendments to AASB 3(2008) to give more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with AASB 2 'Share-based Payment' at the acquisition date ('market-based measure').

2. Adoption of new and revised Accounting Standards (continued)

(a) New standards and interpretations adopted (continued)

Standard or Interpretation	Nature of Change
AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	Except for the amendments to AASB 7 and AASB 101 described earlier this section, the application of AASB 2010-4 has not had any material effect on amounts reported in the financial statements.
Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments.	This Interpretation provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular, the equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss. To date, the Group has not entered into transactions of this nature.

(b) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC where an Australian equivalent has not been made by the AASB, were in issue but not yet effective.

Management is currently evaluating the impact that the initial application of the following Standards and Interpretations will have on the financial report of the consolidated entity:

Standard / Interpretation	Effective for annual reporting periods beginning/ending on or after	Expected to be applied be consolidated entity
AASB 124 Related Party Disclosures (2009) and AASB 2009-12 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
AASB 9: Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-9 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2013	30 June 2014
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from Annual Improvements Project	1 January 2011	30 June 2012
AASB 2010-5 Amendments to Australian Accounting Standards	1 January 2011	30 June 2012
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	1 July 2011	30 June 2012

2. Adoption of new and revised Accounting Standards (continued)

(b) Standards and Interpretations in issue not yet adopted (continued)

Standard / Interpretation	Effective for annual reporting periods beginning/ending on or after	Expected to be applied be consolidated entity
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013
AASB 10 'Consolidated Financial Statements' , AASB 11 'Joint Arrangements' , AASB 12 'Disclosure of Interests in Other Entities' , AASB 127 'Separate Financial Statements'(2011) , AASB 128 'Investments in Associates and Joint Ventures' (2011) , and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards'. AASB 13 'Fair Value Measurements', AASB 119 'Employee Benefits' (2011) and AASB 2011-9 'Amendments to Presentation of Items of Other Comprehensive Income'.	1 January 2013	30 June 2014

3. Significant accounting policies

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 30 September 2011.

(b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

This is the first period that the Company has prepared a General Purpose Financial Report following the *group reorganisation* completed on 23 September 2010 (refer to Note 20 for further information). None of the exemptions permitted under AASB 1 *First-time adoption of Australian Accounting Standards* have been applied in relation to the preparation of this financial report, and none of the balances at the date of transition have been restated.

3. Significant accounting policies (continued)

(c) Basis of consolidation

A controlled entity is any entity over which Cleveland Mining Company Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 21(a).

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

(d) Business combinations

Group reorganisation – Cleveland Mining Company Limited and Cleveland Mining Limited

When Cleveland Mining Company Limited (formerly Western Kingfish Limited) (the legal parent) acquired the Cleveland Mining Limited group (being Cleveland Mining Limited and its controlled entity, Cleveland Mineracao Ltda) (the legal subsidiary), the reorganisation was accounted for using the principles of reverse acquisition accounting in AASB 3 “Business Combinations” since the substance of the transaction is that the existing shareholders of Cleveland Mining Limited have effectively acquired Cleveland Mining Company Limited. Under reverse acquisition accounting, the consolidated financial statements are prepared as if Cleveland Mining Limited had acquired Cleveland Mining Company Limited, not vice versa as represented by the legal position.

The cost of the business is deemed to have been incurred by the legal subsidiary (the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent (the acquiree for accounting purposes). However due to the fact that the fair value of the equity instruments of the legal subsidiary (Cleveland Mining Limited) was not clearly evident at the date at which the control was passed, the alternative method (per AASB 3, paragraph B6), where the cost of the business combination was determined as the total fair value of all the issued equity instruments of the legal parent (Cleveland Mining Company Limited) immediately prior to the business combination.

As a consequence:

- an exercise was performed to fair value the assets and liabilities of the legal acquirer, Cleveland Mining Company Limited;
- the cost of investment held by the legal parent (Cleveland Mining Company Limited) in the legal subsidiary (Cleveland Mining Limited) was reversed on consolidation and the cost of reverse acquisition was eliminated on consolidation against the consolidated equity and reserves of Cleveland Mining Company Limited and its consolidated entities at the date when control is passed. The effect of this was to restate the consolidated equity and reserves balances to reflect those of Cleveland mining Limited at the date of acquisition;
- the amount recognised as issued equity instruments was determined by adding to the issued equity of the legal subsidiary immediately before the business combination, the cost of the combination; and

3. Significant accounting policies (continued)

(d) Business combinations (continued)

- the consolidated financial statements are issued under the name of the legal parent (Cleveland Mining Company Limited) but are a continuation of the financial statements of the deemed acquirer (Cleveland Mining Limited). Hence the comparative figures on the consolidated financial statements are those of Cleveland Mining Limited and its controlled subsidiary.

(e) Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

3. Significant accounting policies (continued)

(f) Income tax

The charge for current income tax expense is based on the accounting result for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(g) Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

When a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

The Group's interests in assets where the Group does not have joint control are accounted for in accordance with the substance of the Group's interest. Where such arrangements give rise to an undivided interest in the individual assets and liabilities of the joint venture, the Group recognises its undivided interest in each asset and liability and classifies and presents those items according to their nature

A joint venture characterised as a 'jointly controlled asset' involves the joint control, and often the joint ownership, by the venturers of one or more assets contributed to, or acquired for the purpose of, the joint venture and dedicated to the purposes of the joint venture. The assets are used to obtain benefits for the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred. Jointly controlled assets do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Each venturer has control over its share of future economic benefits through its share of the jointly controlled asset.

3. Significant accounting policies (continued)

(h) Financial instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment
At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(i) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(j) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3. Significant accounting policies (continued)

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(l) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

The annual depreciation rates used for each class of assets are as follows:

Plant and equipment	33%
Leasehold improvements	20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(m) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development on the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserve.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

3. Significant accounting policies (continued)

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(p) Goods and services tax (“GST”)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Hence the comparative figures on the consolidated financial statements are those of Cleveland Mining Limited and its controlled subsidiary.

4. Financial risk management objectives and policies

The Group manages its exposure to key financial risks, including liquidity risk in accordance with the Group’s financial risk management policy. The objective of the policy is to support the delivery of the Group’s financial targets whilst protecting future financial security.

The main risk arising from the Group's financial instruments is liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing liquidity risk.

4. Financial risk management objectives and policies (continued)

Risk exposures and responses

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the group, comprising issued capital, reserves and retained earnings as disclosed in Notes 16, 17 and 18.

The Group is not subject to any externally imposed capital requirements.

Management and the Board review the capital structure regularly. As a part of these reviews management considers the cost of capital and the risks associated with each class of capital. The Board does not have a specific optimum gearing target other than to maintain a competitive weighted average cost of capital.

Categories of financial instruments

	2011 $	2010 $
Financial assets		
Cash and cash equivalents	2,747,804	1,350,990
Trade and other receivables	170,617	10,487
Financial liabilities		
Trade and other payables	235,714	115,246

Financial risk management objectives

The Group's Board co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. The Group does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes. There are no derivative instruments in operation at year end.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and liquidity. The Group monitors its exposure to these risks on a regular basis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to foreign exchange rate fluctuations arise. To date exchange rate exposures have been relatively small and spot rates are normally used. Management will continually monitor the management of this risk as the scale of the Group's foreign operations grow.

Monetary assets and liabilities are typically maintained in the functional currency of the entity in question, with funds transferred within the Group as required.

4. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of equity funding and cash and short-term deposits sufficient to meet the Group's current cash requirements.

The Group manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis.

	Less than 6 months $	6 to 12 months $	1 to 5 years $	Total $
As at 30 June 2011				
Liquid financial assets				
Cash and cash equivalents	2,747,804	-	-	2,747,804
Trade and other receivables	170,617	-	-	170,617
	2,918,421	-	-	2,918,421
Financial liabilities				
Trade and other payables	235,819	-	-	235,819
	235,819	-	-	235,819
Net inflow / (outflow)	2,682,602	-	-	2,682,602
As at 30 June 2010				
Liquid financial assets				
Cash and cash equivalents	1,350,990	-	-	1,350,990
Trade and other receivables	10,487	-	-	10,487
	1,361,477	-	-	1,361,477
Financial liabilities				
Trade and other payables	115,246	-	-	115,246
	115,246	-	-	115,246
Net inflow / (outflow)	1,246,231	-	-	1,246,231

Fair value of financial assets and liabilities

The Group has no material financial assets or liabilities that are held at fair value.

5. Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. Critical accounting estimates and judgments (continued)

Critical judgments in applying the entity's accounting policies

The following are the critical judgments including those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

(i) The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the areas of interest. If ultimately the areas of interest are abandoned or are not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would need to be written down to its recoverable amount.

(ii) The Group has carried forward tax losses which have not been recognised as deferred tax assets because it is not considered sufficiently probable at this point in time, that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

6. Auditor's remuneration

	2011 $	2010 $
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	69,917	20,000

The auditor of Cleveland Mining Company Limited is Deloitte Touche Tohmatsu.

7. Income tax

(a) Income tax recognised in profit or loss

	2011 $	2010 $
Current tax		
Current tax expense in respect of the current year	-	35,008
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
	-	35,008
Deferred tax		
Deferred tax expense recognised in the current year	-	-
	-	-
Total income tax expense recognised in the current year relating to continuing operations	-	35,008

7. Income tax (continued)

(a) Income tax recognised in profit or loss (continued)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2011 $	2010 $
Loss before tax from continuing operations	(2,906,407)	(479,395)
Income tax benefit calculated at 30% (2010: 30%)	(871,922)	(143,819)
Foreign taxes paid	-	35,008
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	871,922	143,819
	-	35,008
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Total income tax expense recognised in the current year relating to continuing operations	-	35,008

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period. Corporate tax rates applied in relation to Brazil and Chile are 34% and 17% respectively.

(b) Income taxes recognised directly in equity

No income tax has been recognised directly in equity during the current or prior period.

(c) Current tax assets and liabilities

Income tax payable	-	-

(d) Deferred tax balances

Deferred tax liabilities comprise:		
Capitalised exploration expenditure	1,872,600	522,183
Accrued expenses	34,611	8,535
Provision for expenses	12,444	4,992
	1,919,655	535,710
Deferred tax assets comprise:		
Tax losses in Brazil	1,836,293	522,183
Tax losses in Chile	36,307	-
Tax losses in Australia	47,055	13,527
	1,919,655	535,710

7. Income tax (continued)

(d) Deferred tax balances (continued)

In addition to the deferred tax assets above, the unrecognised deferred tax assets attributable to tax losses carried forward amounting to approximately $1,120,170 (2010: $2,515,109) have not been brought to account at 30 June 2011 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

(e) Tax consolidation

The Company and its wholly owned Australian resident subsidiary Cleveland Mining Limited have not formed a tax-consolidated group at the date of this report.

8. Earnings / (loss) per share

Classification of securities as ordinary shares

The Company has only one category of ordinary shares included in basic loss per share.

Classification of securities as potential ordinary shares

There are currently no securities to be classified as dilutive potential ordinary shares on issue.

	2011 Number	2010 Number
Weighted average number of ordinary shares used in the calculation of basic loss per share	108,179,182	49,161,636
	$	**$**
Loss for the year attributable to owners of the Company	(2,906,407)	(514,403)

The earnings / (loss) per share calculation as disclosed on the statement of comprehensive income does not include instruments that could potentially dilute basic earnings per share in the future as these instruments were anti-dilutive in the periods presented. A summary of such instruments is as follows:

Equity securities	**Number of securities**	**Number of potential ordinary shares**
Options over ordinary shares	31,618,661	31,618,661

9. Expenses

	2011 $	2010 $
Employee benefits expense		
Wages and salaries	895,182	174,776
Defined contribution superannuation expense	55,116	1,039
Other employee benefits expenses	55,366	1,192
	1,005,664	177,007
Depreciation expense	31,484	9,740
Other gains and losses		
Loss on disposal of plant and equipment	1,036	-

10. Trade and other receivables

Current

Other receivables	170,617	10,487

Other receivables include amounts outstanding for Goods and Services Tax ("GST") and other taxes. These amounts are non-interest bearing and have repayment terms applicable under the relevant government authority.

Non-Current

Deposits paid	-	11,851

As at 30 June 2011 and 2010 no receivables are past due or impaired.

11. Other current assets

Prepayments	28,974	66,164

12. Plant and equipment

Plant and equipment – at cost	113,226	75,761
Accumulated depreciation	(39,776)	(9,740)
	73,450	66,021
Leasehold improvements – at cost	10,539	1,036
Accumulated depreciation	(1,447)	-
	9,092	1,036
	82,542	67,057

12. Plant and equipment (continued)

Movement in carrying values

	2011 $	2010 $
Plant and equipment		
Carrying value at beginning of year	66,021	-
Additions	37,468	75,761
Depreciation	(30,036)	(9,740)
Effects of foreign currency differences	(3)	-
Carrying value at end of year	73,450	66,021
Leasehold improvements		
Carrying value at beginning of year	1,036	-
Additions	10,542	1,036
Disposals	(1,036)	-
Depreciation	(1,447)	-
Effects of foreign currency differences	(3)	-
Carrying value at end of year	9,092	1,036
	82,542	67,057

13. Capitalised exploration expenditure

Capitalised exploration expenditure	7,206,065	1,535,833

The exploration and evaluation expenditure relates to the consolidated entity's projects in Brazil and Chile.

Write off of exploration expenditure	259,324	-

During the year all capitalised exploration costs related to the El Inciensio project were written off after assay results from soil sampling and trenching did not confirm the historic grades for copper and gold at the project.

Movement in carrying values

Carrying value at beginning of year	1,535,833	-
Additions	6,050,270	1,476,871
Write down	(259,324)	-
Effects of foreign currency differences	(120,714)	58,962
Carrying value at end of year	7,206,065	1,535,833

Refer to Note 5 for significant judgements and estimates made in relation to the recoverability of capitalised exploration expenditure.

14. Trade and other payables

	2011 $	2010 $
Trade payables	91,895	86,796
Accruals and other payables	143,819	28,450
	235,714	115,246

The standard credit period on purchases is 30 days from statement. No interest is usually chargeable on the trade payables for the first 45 to 60 days from the date of invoice. Thereafter, interest is typically charged on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

15. Provisions

Provisions for employee entitlements	58,121	16,641

16. Contributed equity

(a) Issued capital

127,573,171 (2010: 72,066,576) fully paid ordinary shares	13,586,452	3,377,523

(b) Movements in issued capital

	2011 Number	2010 Number	2011 $	2010 $
Balance at beginning of year	72,066,576	-	3,377,523	-
Issued during the year				
Share placements	2,833,259	58,451,501	343,991	1,798,321
Exercise of options	-	13,615,075	-	1,633,809
Balances at date of reverse acquisition	74,899,835	N/A	3,721,514	N/A
Reversal of Cleveland Mining Ltd shares	(74,899,835)	-	-	-
Balance of shares in Cleveland Mining Company Ltd immediately prior to business combination	1,063,171	-	-	-
Issue of shares on acquisition of Cleveland Mining Ltd	78,000,000	-	-	-
Share placements	46,010,000	-	10,642,900	-
Shares issued to consultants	2,500,000	-	500,000	-
Share issue costs	-	-	(1,277,962)	(54,607)
Balance at end of year	127,573,171	72,066,576	13,586,452	3,377,523

Based on the group reorganisation (reverse acquisition) that was undertaken during the financial year (refer to Notes 3(d) and 20), the capital structure of the consolidated entity is that of the legal parent (Cleveland Mining Company Ltd) whilst the value of the shares is that of the legal subsidiary (Cleveland Mining Ltd) immediately prior to the reverse acquisition. The total amount recognised in issued capital is determined by adding the issued capital of the legal subsidiary immediately before the business combination to the cost of acquisition of Cleveland Mining Ltd.

16. Contributed equity (continued)

(c) Share options

Employee share option plan

The Group has an employee share-based compensation scheme where directors and employees of the Company may be issued with options over the ordinary shares of Cleveland Mining Company Limited. Shareholders approved the plan at a meeting of shareholders held on 2 September 2010. The options, issued for nil consideration, are issued in accordance with guidelines established by the directors of Cleveland Mining Company Limited.

Each employee share option converts into one ordinary share in Cleveland Mining Company Limited on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

	Option series	Exer-cise price	Expiry date	Balance at beginning of year Number	Granted during the year (1) Number	Expired or forfeited during the year Number	Balance at end of year Number	Options exercis-able at end of year Number
2011 year								
Unlisted options	1	$18.00	31 Jan 12	99,995	-	-	99,995	99,995
Unlisted options	2	$18.00	3 Sep 12	16,666	-	-	16,666	16,666
Unlisted options	3	$0.20	31 Dec 14	-	5,002,000	-	5,002,000	5,002,000
Unlisted options	4	$0.20	31 Dec 15	-	29,500,000	(3,000,000)	26,500,000	-
				116,661	34,502,000	(3,000,000)	31,618,661	5,118,661
2010 year								
Unlisted options	1	$18.00	31 Jan 12	99,995	-	-	99,995	99,995
Unlisted options	2	$18.00	3 Sep 12	16,666	-	-	16,666	16,666
				116,661	-	-	116,661	116,661

(1) The share options granted during the year are replacement options granted as part of the group reorganisation, refer to Note 20 for further information.

Vesting conditions

There are no further services or performance criteria that need to be met in relation to options granted under series (1) – (3) before the beneficial interest vests to the recipient. Recipients of Option Series 4 are entitled to the beneficial interest under the option when various performance conditions are satisfied and only if they continue to be employed with the company at the time. The performance conditions attached to Series 4 are as follows:

(i) 9,833,333 Performance Options vest on the 1 millionth ounce of Inferred Resource identified;
(ii) 9,833,333 Performance Options vest upon completion of the first Definitive Feasibility Study; and
(iii) 9,833,334 Performance Options vest on completion of wet commissioning of the first full scale process plant.

16. Contributed equity (continued)

(c) Share options (continued)

Fair value of options granted in the year

As part of the group reorganisation completed effective 23 September 2010, in which Cleveland Mining Company Limited acquired 100% of the issued share capital of Cleveland Mining Limited, all options previously issued to the directors and senior management of Cleveland Mining Limited were replaced with options in Cleveland Mining Company Limited on a one for one basis. No other share options were issued to directors or senior management during the current year. Further information in relation to the Group reorganisation can be found in Note 20.

The replacement and related issuance of the options noted above is a "modification event" in accordance with AASB 2 *Share Based Payments*. Any incremental increase in fair value arising in connection with this modification is required to be recognised over the remainder of the vesting period. The directors have determined that this modification event resulted in no increase in fair value.

No other share options were granted during the year.

No share options were exercised during the years ended 30 June 2011 or 30 June 2010.

(d) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

17. Reserves

Foreign currency translation reserve

	2011 $	2010 $
Balance at beginning of year	47,375	-
Foreign currency translation differences	(270,850)	47,375
Balance at end of year	(223,475)	47,375

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

18. Accumulated losses

Balance at beginning of year	(514,403)	-
Net loss for the year	(2,906,407)	(514,403)
Balance at end of year	(3,420,810)	(514,403)

19. Notes to the statement of cash flows

(a) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the year as shown in the statement of cash flows are reconciled to the related item in the statement of financial position as follows:

	2011 $	2010 $
Cash at bank	2,540,056	1,333,214
Cash on short term deposit	207,748	17,776
	2,747,804	1,350,990

Cash at bank attracts floating interest at current market rates. Short term deposits are made for periods of up to 3 months and earn interest at the respective short term deposit rates.

(b) Reconciliation of operating loss after income tax to net cash used in operating activities

Operating profit / (loss) after income tax	(2,906,407)	(514,403)
Adjustments for:		
Depreciation	31,484	9,740
Employee costs capitalised	-	(228,881)
Write down of exploration expenditure	259,324	-
Loss on disposal of plant and equipment	1,036	-
Deed of Company Arrangement expenses	62,500	-
Facilitator share expense	500,000	-
Realised foreign exchange loss	2,168	2,822
Changes in assets and liabilities		
(Increase) / decrease in:		
Trade and other receivables	(137,428)	(11,911)
Other current assets	(25,310)	(3,664)
Increase / (decrease) in:		
Trade and other payables	122,375	127,918
Provisions	41,480	16,641
Net cash used in operating activities	(2,048,778)	(601,738)

(c) Non-cash investing and financing activities

Other than 2,500,000 shares issued to consultants for services rendered during the period (refer to Note 20 for further information), there were no non-cash investing and financing activities.

20. Business combination

Acquisition of Cleveland Mining Limited

On 23 September 2010, Cleveland Mining Company Limited (formerly Western Kingfish Limited) acquired 100% of the issued capital of Cleveland Mining Limited. When Cleveland Mining Company Limited (the legal parent) acquired the Cleveland Mining Limited group (being Cleveland Mining Limited and its controlled entity Cleveland Mineracao Ltda) (the legal subsidiary), the acquisition was accounted for using the principles of reverse acquisition accounting under AASB 3 "Business Combinations" since the substance of the transaction is that the existing shareholders of Cleveland Mining Limited have effectively obtained control of Cleveland Mining Company Limited. Accordingly Cleveland Mining Limited is the accounting acquirer, and Cleveland Mining Company Limited is the accounting acquiree.

Under the principles of reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (Cleveland Mining Company Limited) but are a continuation of the consolidated financial statements of the legal subsidiary (Cleveland Mining Limited), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values. Under the reverse acquisition accounting and for the purposes of preparing the financial information below, no value has been attributed to Cleveland Mining Limited.

The basis of the merger was that Cleveland Mining Limited shareholders would receive 1.0414 Cleveland Mining Company Limited shares for every one Cleveland Mining Limited share, resulting in the issue of 78 million shares in Cleveland Mining Company Limited. Options in Cleveland Mining Company Limited were issued in consideration for Cleveland Mining Limited options held on a one Cleveland Mining Company options per Cleveland Mining Limited option basis, resulting in the issue of 5,002,000 options and 29,500,000 performance options in Cleveland Mining Company Limited.

In relation to the successful acquisition of Cleveland Mining Limited, a facilitation fee became payable and was approved by shareholders at the general meeting on 2 September 2010. This fee was payable in the form of 2,500,000 fully paid ordinary shares in the Company to be issued to Trident Capital Limited and/or its nominees at an issue price equivalent to $0.20 (2,500,000 at $0.20 per share or the equivalent of $500,000).

The Group has provisionally recognised the fair values of identifiable assets and liabilities of Cleveland Mining Company Limited based on the information available as at the date of acquisition as follows:

	Recognised on acquisition $	Carrying value $
Cash and cash equivalents	10,857	10,857
Capitalised exploration expenditure	37,757	-
	48,614	10,857
Payables – current	(48,614)	(48,614)
	(48,614)	(48,614)
Fair value of identifiable net assets	-	
Goodwill arising on acquisition	-	
	-	
Cost of the combination:		
Fair value of issued equity instruments of acquiree before business combination	-	
Total cost of the combination	-	

21. Related party disclosures

(a) Subsidiary

The consolidated financial statements include the financial statements of Cleveland Mining Company Limited and the subsidiaries listed in the following table:

Name	Country of Incorp-oration and operation	Principal activity	Equity interest 2011 %	Equity interest 2010 %	Investment 2011 $	Investment 2010 $
Cleveland Mining Ltd	Australia	Mineral exploration	100	-	15,600,000	-
Cleveland Mineracao Ltda	Brazil	Gold/iron ore exploration	100	100	-	-
Cleveland Mining Chile Limitada	Chile	Gold/copper exploration	100	-	-	-
Cleveland Mining HK Ltd	Hong Kong	Iron ore exploration	100	-	-	-
					15,600,000	-

(b) Loans to related parties

There were no loans to related parties at 30 June 2011 or 30 June 2010. There were no other related party transactions during the years ended 30 June 2011 or 30 June 2010.

22. Key management personnel

(a) Directors and other key management personnel

The directors of Cleveland Mining Company Limited during the financial year were:

- Mr David Mendelawitz
- Mr Don Bailey (appointed 14 September 2010)
- Mr Aaron Finlay
- Mr Jim Williams

The key management personnel of the Cleveland Mining Company Limited group during the financial year were:

- Mr Zeffron Reeves (resigned 13 June 2011) – Principal Exploration Geologist
- Mr Aaron Tomsett – Geology Manager
- Mr Andrei Santos – Brazilian Commercial Manager

(b) Compensation of key management personnel

	2011 $	2010 $
Short-term employment benefit	749,303	365,827
Post-employment benefits	48,659	19,730
Share-based payments	-	-
	797,962	385,557

22. Key management personnel (continued)

(c) Equity instrument disclosures relating to key management personnel

(i) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director of Cleveland Mining Company Limited and other key management personnel of the Company, including their personally related parties, is set out below.

Name	Balance at start of year	Granted during year (3)	Issued as part of group reorg-anisation	Other changes during year	Balance at end of year	Options vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
2011						
Directors						
Mr D Mendelawitz	-	6,800,000	-	-	6,800,000	100,000
Mr D Bailey (1)	-	3,800,000	-	-	3,800,000	-
Mr A Finlay	-	5,500,000	-	-	5,500,000	-
Mr J Williams	-	3,000,000	-	-	3,000,000	-
	-	19,100,000	-	-	19,100,000	100,000
Key Management Personnel						
Mr Z Reeves (2)	-	3,000,000	-	(3,000,000)	-	-
Mr A Tomsett	-	3,050,000	-	-	3,050,000	50,000
Mr A Santos	-	3,000,000	-	-	3,000,000	-
	-	9,050,000	-	(3,000,000)	6,050,000	-
Total	-	28,150,000	-	(3,000,000)	25,150,000	150,000
2010						
Directors						
Mr D Mendelawitz (1)	-	-	-	-	-	-
Mr A Finlay (1)	-	-	-	-	-	-
Mr J Williams (1)	-	-	-	-	-	-
Total	-	-	-	-	-	-

(1) Held at date of appointment
(2) Held at date of resignation
(3) As part of the group reorganisation completed effective 23 September 2010, in which Cleveland Mining Company Limited acquired 100% of the issued share capital of Cleveland Mining Limited, all options previously issued to the directors and senior management of Cleveland Mining Limited were replaced with options in Cleveland Mining Company Limited on a one for one basis. No other share options were issued to directors or senior management during the current year. Refer to Note 20 for further information in relation to the group reorganisation.

22. Key management personnel (continued)

(c) Equity instrument disclosures relating to key management personnel (continued)

(ii) Share holdings

The number of shares in the Company held during the financial year by each director of Cleveland Mining Company Limited and other key management personnel of the Company, including their personally related parties, is set out below. There were no shares issued during the year as remuneration.

Name	Balance at start of year Number	Received during year on exercise of options Number	Issued as part of group reorg-anisation Number	Other changes during year Number	Balance at end of year Number
2011					
Directors					
Mr D Mendelawitz	-	-	37,448,015	-	37,448,015
Mr D Bailey (1)	-	-	1,510,017	-	1,510,017
Mr A Finlay	-	-	1,562,086	-	1,562,086
Mr J Williams	-	-	3,123,131	-	3,123,131
	-	-	43,643,249	-	43,643,249
Key Management Personnel					
Mr Z Reeves (2)	-	-	4,165,563	-	4,165,563
Mr A Tomsett	-	-	750,000	-	750,000
Mr A Santos	-	-	750,000	-	750,000
	-	-	5,665,563	-	5,665,563
Total	-	-	49,308,812	-	49,308,812
2010					
Directors					
Mr D Mendelawitz (1)	-	-	-	-	-
Mr A Finlay (1)	-	-	-	-	-
Mr J Williams (1)	-	-	-	-	-
Total	-	-	-	-	-

(1) Held at date of appointment
(2) Held at date of resignation

Refer to Note 20 for further information in relation to the group reorganisation completed during the year.

(d) Other transactions with key management personnel

There were no other transactions with key management personnel during the years ended 30 June 2011 or 30 June 2010.

23. Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focused on the geographical region of operations. The Group's reportable segments under AASB 8 are therefore as follows:

- Brazilian operations
- Chilean operations

Information regarding the Group's reportable segments is presented below.

Segment revenues and results

	Segment revenue		Segment result	
	2011 $	2010 $	2011 $	2010 $
Brazil	-	-	(392,969)	(10,620)
Chile	-	-	(274,321)	-
	-	-	(667,290)	(10,620)
Interest income			97,447	1,443
Central administration costs and directors' salaries			(2,336,564)	(470,218)
Loss before tax			(2,906,407)	(479,395)

Segment loss represents the loss generated by each segment without allocation of central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The accounting policies of the reportable segment are the same as the Group's accounting policies described in Note 3.

Segment assets and liabilities

	2011 $	2010 $
Segment assets		
Brazil	7,142,943	1,549,808
Chile	236,009	-
Total segment assets	7,378,952	1,549,808
Unallocated	2,857,050	1,492,574
Consolidated assets	10,236,002	3,042,382
Segment liabilities		
Brazil	16,984	21,067
Chile	16,383	-
Total segment liabilities	33,367	21,067
Unallocated	260,468	110,820
Consolidated liabilities	293,835	131,887

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments other than those items relating to corporate operations, including but not limited to cash and cash equivalents, trade receivables and payables and employee entitlements.

23. Segment reporting (continued)

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2011 $	2010 $	2011 $	2010 $
Brazil	2,708	-	17,573	-
Chile	-	-	-	-
Total of all segments	2,708	-	17,573	-
Unallocated	28,776	9,741	30,437	76,797
Total	31,484	9,741	48,010	76,797

In addition to the depreciation and amortisation reported above, exploration and evaluation expenditure of $259,324 (2010: nil) was written off to profit and loss in relation to Chilean exploration activities.

Geographical information

The Group operates in three principal geographical areas: Australia (country of domicile), Brazil and Chile. Details in relation to the operations in Brazil and Chile are disclosed as reportable segments. Revenues, assets and liabilities relating to Australia are part of corporate operations which are disclosed as *central administrative costs and directors salaries or unallocated* elsewhere within this note.

24. Commitments and contingent assets and liabilities

Leasing commitments

The Group has entered into operating leases on office space for terms of up to 3 years. Future minimum rentals payable under this operating lease are as follows:

	2011 $	2010 $
Within one year	281,782	-
After one but not more than five years	237,381	-
	519,163	-

The Group does not have any material contingent assets or liabilities other than as disclosed in this report.

25. Parent company information

Cleveland Mining Company Limited is the parent company of the consolidated group. The following information is provided for the Company:

	2011	2010
Financial position		
Assets		
Current assets	2,433,671	1,003
Non-current assets	22,726,907	-
Total assets	25,160,578	1,003

25. Parent company information (continued)

	2011 $	2010 $
Liabilities		
Current liabilities	50,152	-
Non-current liabilities	-	-
Total liabilities	50,152	-
Net assets	25,110,426	1,003
Equity		
Issued capital	25,784,738	-
Reserves	374,800	374,800
Retained earnings	(1,049,112)	(373,797)
Total equity	25,110,426	1,003
Financial performance		
Profit / (loss) for the year	(675,315)	1,184,219
Other comprehensive income	-	-
Total comprehensive income	(675,315)	1,184,219

Contingent liabilities

The parent company had no contingent liabilities as at 30 June 2011.

Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no commitments to buy property, plant and equipment as at 30 June 2011.

26. Joint ventures

The Group has the following significant interests in joint ventures:

Joint venture	Principal activities	Percentage interest 2011	Percentage interest 2010
Premier	Exploration	50%	50%
Guarinhos	Exploration	50%	50%
Bau	Exploration	50%	50%

The joint ventures listed above are a mixture of both incorporated and unincorporated entities depending largely on the stage of development of the project concerned.

The following amounts are included in the Group's consolidated financial statements as a result of the proportionate consolidation of the various joint ventures:

	2011 $	2010 $
Financial position		
Assets		
Current assets	-	-
Non-current assets	5,405,365	1,195,590
Total assets	5,405,365	1,195,590

26. Joint ventures (continued)

	2011 $	2010 $
Liabilities		
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	5,405,365	1,195,590
Financial performance		
Income	-	-
Expenses	-	-

In addition to the depreciation and amortisation reported above, exploration and evaluation expenditure of $259,324 (2010: nil) was written off to profit and loss in relation to Chilean exploration activities.

27. Events subsequent to balance date

On 5 July 2011, the Company announced the appointment of Mr Russell Scrimshaw to the Board as a Non-Executive Director. It is anticipated that Mr Scrimshaw's extensive experience in both mining and finance will greatly contribute to the Company's immediate activities and its long-term development.

On 27 July 2011, the Company announced the results of 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.

On 27 July 2011, the Company announced that 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 (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.

On 17 August 2011, the Company announced that it had issued 3 million options exercisable at 36 cents and expiring on 31 December 2015 to Mr Russell Scrimshaw, following shareholder approval of the issue.

On 18 August 2011, the Company announced that it has received the Initial Installation Permit for the Premier Gold Mine, giving the Company the confidence to place orders for several key pieces of process plant equipment and maintain its momentum towards fast-tracked production.

On 14 September 2011, the Company announced that it has completed a $10.1 million placement to sophisticated, professional and institutional investors. A total of 29.7 million new ordinary shares will be issued at $0.34 per share, at a small premium to the Company's 10 day Volume Weighted Average Price prior to entering the trading halt.

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

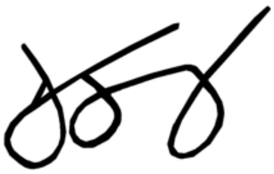
(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;

(c) in the directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

(d) the directors have been given the declarations required by s295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Directors



DAVID MENDELAWITZ
Managing Director

Dated at Perth this 30th day of September 2011

Additional information included in accordance with the Listing Rules of the Australian Securities Exchange Limited. The information is current as at 28 September 2011.

1. Substantial shareholders

The names of substantial shareholders who had notified the Company in accordance with section 671B of the Corporations Act are:

Mrs S L Mendelawitz	37,448,015 shares

2. Statement of issued capital

(a) Distribution of fully paid ordinary shareholders

Size of holding	*Number of holders*	*Shares held*
1 – 1,000	680	175,071
1,001 – 5,000	155	412,588
5,001 – 10,000	106	901,091
10,001 – 100,000	457	18,611,751
100,001 and over	168	125,222,670
	1,566	145,323,171

(b) All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(c) At the date of this report there were 713 shareholders who held less than a marketable parcel of shares.

3. Options

	Exercise price	*Expiry date*	*Number of options*	*Number of holders*
Unlisted options	$18.00	31 Jan 2012	99,995	9
Unlisted options	$18.00	3 Sept 2012	16,666	1
Unlisted options	$0.20	31 Dec 2015	26,500,000	9
Unlisted options	$0.20	31 Dec 2014	4,952,000	27
Unlisted options	$0.36	31 Dec 2015	3,000,000	1

4. Quotation

Listed securities in Cleveland Mining Company Limited are quoted on the Australian Securities Exchange.

5. Twenty largest shareholders

The twenty largest shareholders hold 55.93% of the issued capital of the Company as at 28 September 2011.

No	*Shareholder*	*Number of shares*	*Percentage of issued capital*
1	Mrs Sarah Larissa Mendelawitz	37,448,015	25.77%
2	BFJ Capital Pty Ltd	4,500,000	3.10%
3	Mr Zeffron Reeves	4,145,563	2.85%
4	Mr Charlie Reeves	3,134,927	2.16%
5	Penwerris Pty Ltd	3,123,131	2.15%
6	Magnum Capital Pty Ltd	3,064,838	2.11%
7	Mr Barry Mendelawitz and Ms Margaret Mendelawitz	2,620,834	1.80%
8	Mr Robert George Crisp and Mrs Jennifer Crisp	2,602,436	1.79%
9	Baystreet Pty Ltd	2,378,330	1.64%
10	Wadham Nominees Pty Ltd	2,315,153	1.59%
11	Mr Gavin William Clark	2,127,393	1.46%
12	Rosebud (1974) Pty Ltd	2,001,278	1.38%
13	Blue Saint Pty Ltd	2,000,000	1.38%
14	Bond Street Custodians Limited	2,000,000	1.38%
15	Me Capital Pty Ltd	1,663,059	1.14%
16	Mr Don Bailey	1,510,017	1.04%
17	Jalinsons Pty Ltd	1,400,000	0.96%
18	Ms Elizabeth Jane Mendelawitz	1,145,530	0.79%
19	Ms Sophie and Mr Aaron Finlay	1,041,391	0.72%
20	Mr Eddie Sugar	1,041,391	0.72%
		81,263,286	55.93%