MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED FEBRUARY 29, 2008

This management's discussion and analysis ("MD&A") of Cline Mining Corporation ("Cline" or "the Company") was prepared to assist a reader in their evaluation of material changes in the financial condition and results of Cline for the three months ended February 29, 2008. It was prepared using information that is current as of April 11, 2008 and is intended to augment the unaudited consolidated financial statements for the three months ended February 29, 2008. In addition, it should be read in conjunction with the audited consolidated financial statements and MD&A for the year ended November 30, 2007 and the most recent Annual Information Form ("AIF) on file with the Canadian provincial securities regulatory authorities.

The Company's financial statements include those of its wholly owned subsidiary Iron Ore Corporation of Madagascar SARL ("IOCM") and have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are expressed in Canadian dollars.

Certain information set forth in this MD&A includes management's assessment of the Company's future plans and contains forward-looking statements. Although this information is based on the Company's current internal expectations, assumptions and estimates, it may prove to be incorrect. (See "Cautionary Note Regarding Forward Looking Information" below).

EXECUTIVE SUMMARY

Cline is in the business of locating, exploring and developing mineral resource properties and substantially all of the efforts of the Company are devoted to these activities. Cline's corporate goal is to become a profitable, growth-oriented international producer of mine product resources of merit. Cline owns, or holds an interest in, metallurgical coal and gold properties in Canada and uranium and iron ore properties in Madagascar.

During the current period Cline concentrated its efforts on:

- the exploration and development of gold at its Cline Lake gold property in Northern Ontario, Canada;
- the due diligence work relating to the agreement with New Elk Coal Company LLC ("New Elk") for the acquisition of certain coal and related assets in Colorado U.S.A.;
- the mine permitting process for its Lodgepole metallurgical coal mine project in south-eastern British Columbia, Canada which, once completed and the required permits are obtained, will lead to the production phase; and
- reviewing its alternative mine plan options to optimize its mining costs with respect to its Lossan coal mine project in north-eastern British Columbia, Canada.

PROPERTIES AND EXPLORATION PROJECTS

Gold

Cline Lake Gold Property

The Company continues with its exploration activities to advance the Cline Lake gold property located near Wawa, Ontario, Canada. Mr. Dale Hendrick P.Eng, a Director of Cline is the Qualified Person for the purposes of Canadian National Instrument 43-101.

During the first quarter of 2008 two diamond drill rigs were active on the property. Ten (10) holes totalling 3206 meters were drilled. The core was logged and sampled on site with samples sent to Swastika Laboratories Ltd. of Swastika, Ontario.

In January 2008, Cline completed its Deep Exploration Drill Program (CL07-28) that commenced in late 2006. This program was designed to systematically test the depth extension of the known gold bearing zones across the Cline property. Previously reported assay results from this program included 34.5 feet grading 0.160 ounce per ton (opt) gold (10.5 meters at 5.49 grams per tonne (gpt)) from the 88-60 Zone in DDH CL07-02 and 25.9 feet grading 0.186 opt (7.89 meters at 6.38 gpt) from the 07-10 Zone in DDH CL07-08.

In late 2007 a follow-up diamond drill program commenced to further define and attempt to expand the 88-60 and 07-10 Zones. Eighteen (18) holes totalling approximately 2000 meters are planed to test the 88-60 Zone while fourteen holes totalling approximately 3200 meters are designed to test the 07-10 Zone .

The 07-10 Zone is an interpreted east-west trending shear zone with quartz veining hosted within a felsic intrusive. It was first recognized in hole CL07-10 which intersected 13.5 feet grading 0.107 opt (4.11 meters at 3.57 gpt). On the 07-10 Zone six (6) diamond drill holes (CL07-29 to 34) totalling 2188 meters were completed in the 1st quarter of 2008. The remaining holes on the 07-10 Zone including two holes designed to twin historical holes drilled by Pick Mines between 1960-63 are expected to be completed early in the 2nd quarter of 2008.

On the 88-60 Zone three (3) holes (CL07-22, 23 and 35) totalling 918 meters have been completed. The 88-60 Zone was first identified by Noranda in 1988 when they explored the Cline Lake property. It is located approximately 200 meters north and sub parallels the 07-10 Zone and is situated near the northern contact of quartz-feldspar porphyry intrusive. The 88-60 is a distinct zone of silicification with quartz veining hosted by mafic metavolcanics.

Four shafts were sunk on the Cline Lake gold property in the early 1930's. According to information published in the Canadian Mines Handbook, the Cline Mine produced 332,670 tons at a recovered grade of 0.215 opt gold, with production coming from mine workings between surface and 500 feet vertical depth. The property is underlain by east-west trending, steeply dipping, mafic volcanics that are interlayered almost conformably with sills or dykes of felsite "quartz-eye" porphyry hosting sulphide and gold mineralized quartz veining. A major regional structural event, the Edwards/Cline Shear, dips 60-70 degrees north and runs west to east across the south of the property, and appears to be a controlling factor that localizes quartz- sulphide-gold mineralization. A second major structure, the 88-60 Zone, a shear/alteration zone, associated with the porphyry appears to dip steeply south and runs east-west across the northern portion of the property. Quartz-sulphide – gold mineralization is localized within the 88-60 Zone which appears to has been traced by diamond drilling approximately 950 meters along strike during the recent drill program.

Assay results from seven of the ten holes drilled have been received and are expected to be released shortly.

The current drill program it expected to be competed by the end of the second quarter of 2008 at which time the Company intends to engage a consultant to prepare an engineering report based on the work carried out as well as the significant historical data base available on the property.

Strike Edwards Gold Property

As previously announced, in December 2006, Cline commenced a diamond drill program on the Strike Minerals Edwards gold property, which is contiguous to and to the west of the Cline Lake gold property. Pursuant to an agreement, Cline had the right to earn up to a 12.5% interest in the Strike Minerals Edwards gold property by expending up to $350,000 on exploration on or before June 30, 2007. Cline has now completed the planned drill program and has earned its 12.5% interest. Cline also owns 2 million shares of Strike Minerals Inc. Mr. Dale Hendrick P.Eng, a Director of Cline is the Qualified Person for the purposes of Canadian National Instrument 43-101.

Nine (9) drill holes were drilled on the 3 claim Strike Edwards property by Cline pursuant to the agreement for a total of 11,341 feet. Four of the holes ST 06-04 and ST 06-05 drilled in 2006 and ST 07-01 and ST 07-02 drilled in 2007 tested beneath the 900 foot underground level of the previously mined Porphyry and Carbonate Zones. From 1997 to 2001, River Gold Mines Ltd produced from the Porphyry and Carbonate Zones at the Strike Edwards Mine 140,138 ounces gold and the ore was trucked 100 kms to the River Gold Magnacon Mill. (Reference - Canadian Mines Handbook (1999 to 2003) - River Gold Mines Ltd.).

River Gold reported (Canadian Mines Handbook) that in 1997, the Edwards mine produced 63,000 tonnes and 30,414 oz gold and in 1998, the mine produced 34,200 tonnes and 12,851 oz gold. The calculated average grade for 2 years initial production of 97,200 tonnes is 0.445 oz/T gold. Holes CL 07-6, CL 07-7, CL 07-9 and CL 07-10 of the Cline drill program pass through both the Cline and Strike properties.

A table which shows a summary of significant intersections from the nine holes follows:

DDH	Location (feet)	Azimuth (degrees)	Dip (degrees)	From (feet)	To (feet)	Length (feet)	Oz/ton Au
ST 06-4	3+00E, 5+00N	205	-68	No significant intersections			
ST 06-5	2+00E, 5+00N	205	-68	199.0	219.6	20.6	0.064
				301.0	311.5	10.5	0.175
				799.3	802.3	3.0	0.325
ST 07-1	4+00E, 5+00N	205	-68	No significant intersections			
ST 07-2	5+00E, 5+00N	205	-68	382.0	392.0	10.0	0.973
				incl. 382.0	386.0	4.0	2.410
				1,803.5	1,805.0	1.5	0.427
CL 07-6	1500E, 480N	180	-55	No significant intersections			
CL 07-7	1500E, 980N	180	-55	No significant intersections			
CL 07-9	1500E, 050N	180	-55	No significant intersections			
CL 07-10	500E, 000N	180	-55	No significant intersections			
CL 07-14	500E, 320S	180	-55	774.0	778.0	4.0	0.381
				801.0	804.0	3.0	0.347

Note: Imperial Units are presented since results from the historical data base for the property are all reported in Imperial Units.

The above results indicate the Porphyry and Carbonate zones are pinching out (1.5 feet of 0.427 oz/ton. Au) but a new zone is appearing in upper part of holes that warrants additional drilling.

Cline believes that there are significant synergies in the arrangements between Cline and Strike with respect to the exploration and development of the Cline Lake and Edwards gold properties. The Cline and Strike gold properties are adjacent and contiguous east to west covering areas of approximately 120 hectares (300 acres) and 60 hectares (150 acres) respectively. In addition, both properties are previous gold producers and include 6 existing mine shafts/portal.

Cline and Strike are now discussing plans for further exploration on the property. Cline would fund their portion of the joint venture exploration program out of the $1 million flow-through private placement completed in December 2007.

Metallurgical Coal

New Elk Coal Mine Property

In July 2007, Cline entered into an agreement with New Elk under which Cline acquired the right to purchase certain mining assets of New Elk located near the town of Trinidad in Los Animas County, Colorado, U.S.A. Cline proceeded with its due diligence including the preparation of an independent engineering report by Behr Dolbear.

In November 2007, Cline received the report from Behr Dolbear and entered into a replacement agreement with New Elk which provided for an extended period to complete the due diligence process. Cline is currently continuing its due diligence and considering its options with a view to acquiring and bringing the assets into production. During this due diligence period, Cline has agreed to pay to New Elk U.S.$30,000 per month as sustaining payments. Subsequent to February 29, 2008, Cline has agreed to and has advanced additional funds by way of demand loan notes to New Elk to fund certain business expenses.. As of April 11, 2008 Cline has advanced approximately U.S.$350,000 to New Elk to fund such expenses.

The New Elk Mine was opened in 1951 by CF&I Steel Company to provide metallurgical coal for its iron and steel blast furnace plant at Pueblo, Colorado, which was converted to an electric steel furnace operation after 1982. The New Elk Company reports the continued operation of the Mine through 1989, and the coal preparation plant, which was built in 1984 to increase product coal specifications, continued until 1996.

The New Elk property includes a comprehensive data and asset base, including historical and recent engineering reports with respect to coal resources, product qualities, mine headframe, shafts and access, workings, the coal preparation plant, coal rail load-out, continuous miners, roof bolters, electrics and long wall miner. The New Elk Business Plan Report identifies 184 million tons of raw recoverable coal of which 137 million tons is clean saleable coal, contained in several seams with an average seam thickness of 7 to 8 feet. The coal is saleable as a high quality metallurgical coking coal for export to steel makers, or as a thermal coal for sale to local electric power generation stations.

The Company has received an interim report from the independent engineering consultant Behr Dolbear with respect to the New Elk coal resource, which report is consistent with the available data. Behr Dolbear has been commissioned by Cline to prepare and deliver a formal NI 43-101 compliant report on the New Elk coal properties.

The technical reports available at this time from New Elk and its consulting engineers do not conform to NI 43-101 standards in all respects including coal resource estimates. Accordingly, Cline cautions that although it considers the data and information in the reports to be from reliable and professional sources, it is historical in nature and has not been prepared, presented and reported on by a 'Qualified Person' in accordance with NI 43-101 and accordingly should not be relied upon in that respect. The data and information included above are from engineering reports on the mine from JMC Engineering LLP, Peak Project Management LLP, Charles W. McLothlin P.E., Mining Consultant, Thomas Dupree, Geological Consultant and John T. Boyd Company, Mining Consultant.

Lodgepole Coal Mine Property

During 2005, the Company completed its field work program and feasibility study including the related environmental assessment report. The Feasibility Study was delivered to the Company on January 20, 2006 by G.R. Technical Services Ltd, an independent engineering and consulting company. (The Qualified Persons for the purposes of NI 43-101 were J. H. Gray P.Eng., Principal of G. R. Technical Services and A. D. Walters, President of A. D. Walters & Associates Ltd.) The environmental protection input and design contained in the study were undertaken by EBA Engineering Consultants Ltd., an independent environmental engineering company. The feasibility study estimated total measured and indicated in-place coal resources of 154.571 million tonnes and total inferred coal resources at the Lodgepole Coal Project of 3.228 million tonnes. The feasibility study further estimates total proven and probable coal reserves, which are utilized for the planned coal production from the above coal resource base, of 40.599 million tonnes. The feasibility study provides for the annual production of 2,000,000 tonnes of saleable low volatile bituminous pulverized coal injection ("PCI") coal over a 20 year mine life. The mine project is presently in the British Columbia Government environmental mine permitting phase of development.

Following the completion of the feasibility study and initial environmental evaluations, the Company, in early 2006 formally initiated the process to obtain an Environmental Certificate for the Lodgepole Mine project from the British Columbia Government Environmental Assessment Office (EAO). During 2006, environmental field studies continued on the project. The Company has progressed its application for an environmental certificate to produce 2 million tonnes of PCI coal annually for the 20 year Lodgepole Mine plan and is presently in the formal environmental and permitting process during which it is responding to public comments and questions which were invited following the formal public meetings held in January 2007. This important stage of the environmental and permitting procedure provides for complete transparency of the mine plan and enables the Company to fully address the public comments and questions in detail as part of the Company's formal application to the British Columbia Government for a certificate. The public meetings, comments and questions have been open to and requested from the public in both Canada and the United States. The Company is confident that the Lodgepole Mine, which is comparable to other open pit coal mines in the southeast area of British Columbia, will meet environmental standards of Government.

The Company, subject to permitting and financing, plans to conduct an open pit mine on the Lodgepole Coal Mine Project with an estimated production tonnage of 2 million tonnes per year. Due to additional environmental and geotechnical studies required by regulatory authorities, the overall project schedule has been revised and will delay the Company's application for an environmental certificate. Cline is currently awaiting permits from the British Columbia Government to continue its work programs and expects that the earliest that commercial production at Lodgepole could commence is the end of 2010.

The identification of an alternate clean coal rail load-out site was made in 2007. This site, which is 16 kilometers closer to the mine site, would reduce current coal haul operating costs and will likely be more environmentally acceptable to that used in the Feasibility Study at Elko, B.C. A more detailed evaluation of this location will be undertaken during the final phase of environmental field work prior to the application for the project's environmental certificate from the B.C. Ministry of Environment. The Company is actively proceeding with the Permitting process with the government to expedite the issuance of the environmental certificate.

The Company and the Ktunaxa First Nation have signed a formal "Protocol" on which further agreements will be based.

The Feasibility Study which has been filed on SEDAR at www.sedar.com is also available for viewing on the Company's website at www.clinemining.com .

Lossan Coal Mine Property

The Lossan Coal Project is located in the Peace River Coalfield of north-eastern British Columbia. During 2005, the Company undertook a field program to support the planned feasibility study which was completed and delivered to the Company on December 23, 2005 by Norwest Corporation, an independent engineering and consulting company. (The Qualified Person for the purposes of NI 43-101 was Geoffrey Jordan P.Geol., Senior Vice President of Norwest Corporation). The environmental protection input and design contained in the study were undertaken by Rescan Environmental Services Ltd.

The Lossan Coal Project has a NI 43-101 compliant total in-place resource of 186.1 million tonnes. In addition 53.5 million tonnes of in-place coal resource has been calculated in the inferred assurance category. A NI 43-101 compliant coal reserve estimate of 13.93 million tonnes is comprised of 8.96 million tonnes in the proven assurance category and 4.97 million tonnes in the probable assurance category. The project's feasibility study uses 14.22 million tonnes of reserves reflecting an 8% total moisture content expected in its product. The Feasibility Study describes the coal as a medium volatile bituminous pulverized coal injection ("PCI") and metallurgical coking coal. The Company has developed a conventional "truck-shovel" open pit mine plan for the production of 14.22 million tonnes of product coal at a rate of 1 million tonnes per year over a 14 year plan life. The Company is presently reviewing various options to optimize its mining costs with respect to the project.

The Feasibility Study which has been filed on SEDAR at www.sedar.com is also available for viewing on the Company's website at www.clinemining.com .

Sage Creek and Cabin Creek Coal Properties

The potentially surface mineable portions of the Sage Creek property contain 84.4 million tonnes of in-place coal resource within the measured assurance category and 70.4 million tonnes of in-place resource within the indicated assurance category. The above resources are NI 43-101 compliant, as reported in the Technical Report dated May 28, 2004 which was prepared for the Company by Norwest Corporation of Calgary (Qualified Person for the purposes of NI 43-101 was

Geoffrey Jordan P.Geol., Senior Vice President). No NI 43-101 resources have yet been calculated for the Cabin Creek coal deposit.

Studies indicate a high quality metallurgical hard coking coal resource in place, classified as 'true' medium volatile coal. The development of these two properties is subject to a revision by the B.C. Government of its current coal development policy in the Southeast area of the province where a coal mining moratorium is in effect. The Company has been advised by the Ministry of Energy and Mines that no other party may make application for the licenses covering these properties.

Uranium

Investment in UMC Energy plc

In December 2006, the Company acquired a 40% interest in UMC Energy plc ("UMC") in exchange for its 80% interest in URAMAD SA ("URAMAD"). UMC is a U.K. company listed on the London Stock Exchange AIM market (**AIM: Symbol UEP**). URAMAD, a Madagascar company is now owned 80% by UMC and 20% by the government of Madagascar through its Agency L'office Des Mines Nationale et Des Industries Strategique (OMNIS). URAMAD's uranium resources are located in the Morandava Basin Concession in Madagascar and UMC is proceeding with drilling existing targets and an airborne survey program.

The URAMAD Morondava Uranium Project comprises eight exploration Permits with a combined area of 9,994 square kilometres. The Property is located in the Morondava Basin of western Madagascar, which is filled with the uranium favourable Karoo Supergroup continental sediments. The Uranium Properties were earlier held by Cogema (CEA) of France which carried out extensive exploration work, with additional work being carried forward by the United Nations Development Programme ("PUND") and L'Office Des Mines Nationales et Des Industries Strategiques (OMNIS). URAMAD has obtained the databases from this work which include an extensive earlier drilling and airborne survey (some 7,000 radioactive anomalies) and 83,000 metres of drilling in 790 drill holes with indicated uranium values and visible uranium mineralization.

In late 2006, URAMAD carried out a preliminary airborne survey and diamond drilling program on the Folokara area within the exploration permits, reporting significant uranium mineralization. This was followed up in 2007 with an extensive geological airborne and drilling program in the Folakara area of the exploration permits. The URAMAD exploration programs were funded by UMC.

Iron Ore

Bekisopa Iron Ore Property

The Company, through its subsidiary Iron Ore Corporation of Madagascar SARL ("IOCM"), holds five permits comprising the Bekisopa iron ore properties in south Madagascar and is evaluating other iron prospects and related development opportunities in conjunction with its strategic partners, Mitsui Matsushima and ThyssenKrupp. The original Bekisopa Permit ("Beki1") covers an area of 25 square kilometres and has an extensive database of earlier exploration and test work prepared separately by BRGM, the French Government exploration company, the United Nations (Development Program) and the Government of Madagascar. In addition, as a result of the exploration work carried out during 2007, the Company acquired additional permits ("Beki2" and "Beki3") from the Madagascar Government covering an area of approximately 2,900 square kilometres to the west and south of the Bekisopa iron deposit, the objective being to increase the existing iron resources (non NI 43-101 compliant) to a world scale iron ore mine development level.

In 2007, the Company carried out an examination of extensive geophysical airborne and ground surveys of areas west and south of Bekisopa to identify prospective geophysical features. Dr. Allan Spector, a Qualified Person for the purposes of National Instrument 43-101, carried out the ground geophysical investigations on the identified airborne anomalies and presented his report (the "Spector Report"). Dr. Spector carried out detailed gravity and magnetometer surveys on approximately 60 km of lines.

Principal results of the 2007 gravity surveying in the vicinity of the known Bekisopa iron deposit (Beki1) are as follows:

(i) A 2.5 milligal gravity anomaly was observed over the known deposit.

(ii) Two additional gravity anomalies were observed, one kilometer west and one kilometer east of Beki1 called Beki2 and Beki3.

(iii) All three gravity anomalies are associated with varying magnetic relief.

Cline intends to drill test the two additional gravity anomalies to determine whether or not they reflect iron deposits, with a view to determining their grade and thickness.

With respect to the Beki1 iron ore deposit held by the Company prior to its property additions resulting from its recent geophysical work and investigation, the existing Beki1 database reports the iron formations as being primarily magnetite with iron grades across the deposit at between 25 per cent and 65 per cent (density 2.5 to 4.75 gm/cc) averaging 45 per cent and the alluvial lateritic surface part of the deposit at grades of between 40 per cent and 65 per cent iron. The results reported include extractions in the order of 70 per cent by magnetic separation with an additional flotation unit. The United Nations data indicates that the resource tonnage of the deposit could approach 150 million tonnes. Following two phases of study on the property in 1976 and 1977, the resource tonnage was estimated at 98.6 million tonnes, amenable to extraction by open pit methods. The Company cautions that the resources referred to are historical in nature and were compiled before National Instrument 43-101 and therefore are not compliant with NI 43-101 requirements. Cline has not explored this potential or independently analyzed the reports; therefore, these historical results should not be relied upon. Cline believes these historical results provide an indication of the potential of the property and are relevant to ongoing exploration.

REVIEW OF OPERATIONS AND FINANCIAL CONDITION

Financial Overview and Selected Financial Information

Highlights of Quarterly Results:

Quarter Ending	Earnings(Loss)	Earnings (Loss) per share (Basic)	Earnings per share (Diluted)
February 29, 2008	$ (703,605)	$ (0.009)	$ (0.009)
November 30, 2007	(1,580,326)	(0.021)	(0.021)
August 31, 2007	(334,041)	(0.005)	(0.005)
May 31, 2007	(689,206)	(0.01)	(0.01)
February 28, 2007	2,603,573	0.041	0.041
November 30,2006	(388,605)	(0.006	(0.006)
August 31, 2006	(356,452)	(0.006)	(0.006)
May 31, 2006	(286,248)	(0.005)	(0.005)

Note: The effect of potentially dilutive securities has been excluded from the computation of diluted weighted average number of shares outstanding, as they are anti-dilutive to the basic loss per share.

Three months ended February 29, 2008 compared to the three months ended February 28, 2007

For the quarter ended February 29, 2008, Cline recorded a loss of $703,605 ($0.009 per share) compared to earnings of $2,603,573 ($0.041 per share) for the same period the previous year.

The earnings for the quarter ended February 28, 2007 reflect a gain of $3,537,668 on the sale of Cline's subsidiary Uramad SA to UMC Energy PLC and a non-cash charge of $539,000 with respect to the revaluation of warrants. There were no comparable items in the current period.

Property assessment costs for the three months ended February 29, 2008 are $93,535 which reflect the expenditures by the Company related to the due diligence process currently underway on New Elk. There were no such charges in 2007. In addition, travel and accommodation has decreased to $53,610 from $100,417 in 2007 as expenditures were unusually high in 2007 due to increased activity and meetings in Madagascar and London with respect to the sale of Uramad SA. Other than these variances, expenses have remained relatively constant when compared to 2007.

Interest income has decreased to $66,489 (2007 - $73,817) reflecting the decrease in interest rates. In addition, subsequent to the period end, the Company decided not to proceed with the exploration on the Crown Mountain coal property resulting in a write-down of $55,355. There was no similar write-off in 2007. Expenditures on mineral properties, which are capitalized, totalled $514,648 for the three months ended February 29, 2008 compared to $678,815 for the same period in 2007. The decrease is principally due to work done in 2007 on the Strike Edwards property in the amount of $163,676, whereas no work was carried out on this property during the first quarter of 2008. The management fee of $70,214 earned during the quarter ended February 28, 2007 related to the Morondava uranium property owned by URAMAD SA which was sold by the Company to UMC Energy Plc in December 2006. The agreement with respect to these management fees expired and as a result no fees were earned during the current quarter.

The first quarter results also reflect Cline's estimated proportionate share of the loss of UMC for the five months ended December 31, 2007. Cline's investment in UMC is accounted for on the equity basis.

Financing Activities

During the period, the Company generated net proceeds of $983,419 from a private placement financing of flow-through shares and pursuant to this private placement, the Company committed to spend $1,000,000 in qualifying Canadian Exploration Expenditures ("CEE") in Ontario, on or before December 31, 2008. In addition, the Company and repaid advances of $74,543 to UMC relating to URAMAD.

Liquidity and Capital Resources

As at February 29, 2008, the Company had cash and cash equivalents of $7,145,621 an increase of $8,153 from November 30, 2007. Exploration and development expenditures on mineral properties during the period were $514,648 which negatively affected the Company's cash position. To minimize liquidity risk, the Company prepares budgets for both its exploration activities and its overhead expenditures and closely monitors its liquidity position. The Company's working capital position at February 29, 2008 was $6,834,535 compared to $6,796,102 at November 30, 2007. The Company has sufficient working capital to meet its budgeted requirements until the middle of 2009.

Cash and cash equivalents as at February 29, 2008 includes approximately $700,000 reserved for qualifying Canadian Exploration Expenditures pursuant to flow-through private placement agreements entered into in 2007. The Company has until December 31, 2008 to make these expenditures. The Company's cash and cash equivalents are held by major Canadian banks or redeemable term deposits issued by major Canadian banks.

The Company's plans for the development of the British Columbia coal properties will require significant additional capital resources. Based on the feasibility studies received by the Company, the estimated capital costs to bring the Lossan and Lodgepole coal projects to production are $57 million and $155 million respectively. In addition, should the Company decide, after completing its due diligence, to proceed with the acquisition and development of the New Elk Coal Project it is estimated by management that at least $80 to $100 million of additional funding will be required. It is anticipated that funding may be obtained through private placement of shares and/or project financing. No assurances can be given, however, that funding will be available.

Contractual Obligations

Other than the financial obligations as set out below, there are no contractual obligations that will materially affect the Company's future liquidity.

As at February 29, 2008 the Company's contractual obligations included:

Contractual Obligations	**Payments Due by Period**				
	Total	**Less than 1 year**	**1 to 3 years**	**4 to 5 years**	**After 5 years**
Management and Administrative Service Agreements	$ 388,000	$ 388,000	$ Nil	$ Nil	$ Nil
Operating Leases	67,420	67,420	Nil	Nil	Nil

Commitments

In order to keep its mineral properties in good standing, the Company is required to make annual payments of approximately $70,000 in coal licence fees to the government of British Columbia and $60,000 in exploration permit fees to the Government of Madagascar.

In addition, annual minimum royalty payments of $100,000 are payable to each of the original owners of the Lossan and Lodgepole coal properties until such time as commercial production commences.

In connection with flow-through private placement agreements completed in December 2007, the Company agreed to renounce to the subscribers of the flow-through shares, $1,000,000 of qualifying Canadian Exploration Expenditures ("CEE") effective December 31 2008. As of February 29, 2008, the Company had expended approximately $300,000 leaving a commitment of $700,000 remaining. In addition, the Company has agreed to indemnify the subscribers for any tax payable by them should the Company not incur the qualifying CEE on or before December 31, 2008.

Pursuant to a Framework Agreement with the Ktunaxa Nation, the Company has agreed to pay up to $15,000 annually to the Ktunaxa Nation to cover a portion of the costs to implement the agreement.

In connection with the agreement entered into in December 2007 with NECC, Cline agreed to pay to NECC an amount of U.S. $30,000 per month until such time as Cline or its nominee, either completes the acquisition of the coal mine assets or chooses to terminate the agreement without further financial obligation. The Company is presently carrying out its due diligence with respect to the agreement and is considering its options regarding the financing of the transaction. Should the Company complete the acquisition, additional financing will be required.

Transactions with Related Parties

Transactions with related parties are incurred in the normal course of business and recorded at the exchange amount, being the price agreed between the parties.

Effective December 1, 2007, the Company renewed the Management and Administrative Services Agreements with companies related to or controlled by Ken Bates, CEO, Allan Taylor, CFO and Gordon Gormley, Vice President of the Company for the provision of management and related services. The agreements are for a one year term and are subject to a termination fee of one year's fees. During the period, the Company paid a total of $144,409 to companies related to or controlled by these officers, which is included in consulting and management fees of $156,409 in the unaudited Consolidated Statement of Operations and Comprehensive Earnings (Loss). In addition, during the period, Ken Bates was paid $6,000 with respect to directors fees.

In December 2007, Dale Hendrick, a director of the Company participated in the non-brokered private placement financing of flow-through shares. Mr. Hendrick acquired 1,800,000 common shares in the Company at a price of $0.25 per share for total proceeds of $450,000 to the Company. The shares acquired are subject to a four month hold period.

During the period, the Company repaid the balance of advances of $74,543 to UMC with respect to URAMAD.

Receivables as at February 29, 2008 in the amount of $329,464 include $35,548 due from officers related to travel advances. Accounts payable and accrued liabilities as at February 29, 2008 in the amount of $674,926 include amounts due to, or accrued as payable to, related parties in the amount of $57,884. The parties are related by virtue of their shareholders or principals acting as directors or officers of the Company.

OUTSTANDING SHARE DATA

As at February 29, 2008, the number of outstanding shares totalled 76,385,275. Stock options to purchase 5,640,000 shares at a weighted average exercise price of $0.50 and warrants to purchase 9,994,587 shares at a weighted average exercise price of $0.52 were outstanding.

Subsequent to February 29, 2008, there has been no change to outstanding common shares, stock options or warrants.

CRITICAL ACCOUNTING ESTIMATES

Stock based Compensation

The Company has a stock option plan which is described in Note 10 of the audited consolidated financial statements for the year ended November 30, 2007. Any consideration paid by employees, officers, directors and service providers on the exercise of stock options is credited to share capital. Stock options granted during the year are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of these options is estimated at the date of grant using the Black-Scholes option pricing model. If stock or stock options are repurchased from employees, officers, directors and service providers, the excess of the consideration paid over the carrying amount of the stock or stock option cancelled is charged to contributed surplus.

The Black-Scholes option pricing model requires the Company to make reasonable assumptions in order to derive parameters such as expected volatility of the Company's shares, the expected life of the option and interest rates, all of which are based on historical information. Future behaviours of these parameters are beyond the Company's control, and thus, may be significantly different from the Company's estimates.

NEW ACCOUNTING POLICIES

Effective November 1, 2007, the Company adopted the following Handbook Sections recently introduced by the Canadian Institute of Chartered Accountants ("CICA"):

Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose the following:

- its objectives, policies and processes for managing capital;
- summary quantitative data about what the Company views as capital;
- whether during the period, it complied with any externally imposed capital requirements to which it is subject;
- when the entity has not complied with such requirement, the consequences of such non-compliance.

Section 3862, "Financial Instruments – Disclosures", modifies the disclosures requirement for financial instruments that were included in Section 3861 "Financial Instruments – Disclosure and Presentation". The new standard requires entities to provide disclosures in their financial statements that enable users to evaluate:

- the significance of financial instruments of the entity's financial position and performance;
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

Section 3863, "Financial Instruments – Presentation", carries forward unchanged the presentation requirements of the old Section 3861 "Financial Instruments – Disclosure and Presentation".

RECENT ACCOUNTING PRONOUNCEMENTS

In October 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of this new accounting standard on its consolidated financial statements.

On February 13, 2008, The Accounting Standards Board ("AcSB") confirmed that the transition to International Financial Reporting Standards from Canadian GAAP will occur on January 1, 2011 for public entities. The impact of this transition on The Company's consolidated financial statements has not yet been determined; however, management continues to monitor these developments.

RISKS AND UNCERTAINTIES

The exploration and development of natural resources is a highly speculative activity that involves a high degree of financial risk. These risks should be taken into account in assessing the Company's activities. Any one or more of these risks could materially affect the Company and should be considered in assessing the Company's overall activities. These risks are described in the MD&A for the year ended November 30, 2007.

INDUSTRY AND MARKET OUTLOOK

Gold

The market for gold continues to climb, moving up from around U.S.$625 an ounce at the beginning of 2007 to over U.S.$1,000 an ounce recently and pulling back to about U.S.$900 at the present time. Industry gold analysts are presently forecasting or assuming a price of U.S.$925 an ounce during 2008. Gold sales in quantity by Central banks, notably France and Switzerland, as well as the IMF Industry is seen as perhaps creating an overhang. The price of oil remains relatively high and geo-political tensions and financial crises continue to put their pressures on the system.

Uranium

The market demand and price for uranium as U3O8 (yellowcake) continues to be buoyant and the outlook remains good. The industry market for uranium is largely established and settled between the mine supplier and customers on an individually negotiated contract term basis with ongoing price adjustment escalators over the long term based on market consideration. There is also a 'spot' market for uranium which generally reflects volatility and market sentiment from time to time on a short term basis. The present (March 31, 2008) spot price for U3O8 is reported at U.S.$71 per pound, having risen to that level from about U.S.$9.60 per pound in January 2002. There has been significant volatility in the spot price. For example spot prices have ranged between U.S.$135 per pound in mid 2007 to the present U.S.$71 per pound.

It is expected that the ongoing demand for uranium will continue. Industry predictions indicate that some 25% or 500 million pounds of new production will be required to meet demand over the next ten years. This demand, combined with uncertainties relating to the availability of significant additional supply from existing sources, and the increase in demand for clean energy will provide opportunities for the uranium mining industry. A large number of new nuclear reactors are under construction and planned in the world, notably in China, India, the U.S. and U.K. The long lead time to bring additional reactors into production is a factor in the forecasts and expectations.

Metallurgical Coal

The global benchmark pricing for hard coking (metallurgical) coal for 2007, depending on quality, settled at about US$96.50 per tonne FOB vessel which represented a decrease of some US$18 (15.7%) per tonne from the 2006 pricing and prices for the semi-hard quality coals were generally down about 18-22%. During 2007 prices for both thermal and metallurgical coal strengthened significantly on the spot market and analysts are contemplating the 2008 benchmark price at considerably higher levels than in 2007. Recent U.S. thermal spot coal prices have been in the $80 per tonne FOB area compared to the 2007 benchmark of $55.65 per tonne. High grade hard coking coal is now thought to go possibly to $225 per tonne in 2008 up from the $98 per tonne benchmark in 2007. Interim sea-borne fob prices for coking coal for the 2008 coal year have been reported at the U.S.$220 per tonne level and PCI coal at U.S.$190 per tonne subject to final contract year (April 1, 2008 to March 31, 2009) settlements. Coking coal spot prices have been reported since the beginning of the year at over U.S.$300 per tonne as a result of the effects of weather and delivery related problems in Australia.

Iron Ore

The global supply side for iron ore is tight and settlements for the new April 1 contract year benchmark price settled with a 65% price increase over the 2007 contract year. Industry sources consider that the iron ore market is the tightest it has ever been given the Chinese and Indian demand and slower supply from Brazil and Australia. The tight supply side is expected to continue as China and India continue to put pressure on the demand side. The three largest producers are Brazil's Companhia Vale do Rio Doce, Rio Tinto and BHP Billiton. In iron ore, CVRD leads the producers with 324 mt of iron ore capacity (20% of the world total), Rio Tinto is second (209 mt) and BHP Billiton third (152 mt). BHP Billiton and Rio Tinto, if combined, would therefore be the top producer with ~360 mt, or approximately 22% of world supply.

CORPORATE GOVERNANCE

The Board of Directors (the "Board") and management of Cline recognize the need for good corporate governance and endorse the adoption of best practices. Given the evolving environment in both best practices and regulatory guidance, Cline is committed to continuing to review and improve its governance practices. A Board Mandate outlining its duties and responsibilities has been adopted by the Board. In addition, three committees of the Board have been established; audit, compensation, and corporate governance.

The Company's Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. The Board accomplishes this principally through the audit committee, which is composed of independent non-executive directors. This committee meets annually with the auditors and periodically with management to review financial matters.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the most recent interim period, the first quarter of 2008, management advises that there have been no material changes in the Company’s internal controls over financial reporting (“ICFR”) that have materially affected, or are reasonably likely to materially affect ICFR.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Certain information set forth in this MD&A includes management's assessment of the Company's future plans and contains forward-looking statements. Although this information is based on the Company's current internal expectations, assumptions and estimates, it may prove to be incorrect. These forward-looking statements are not guarantees of future performance and undue reliance should not be placed on them. They are subject to unknown risks and uncertainties which may include, among other things, changes in economic and market conditions; inherent uncertainties associated with estimating reserves; changes to legislation; commodity prices; ability to renew licenses; and actions by governmental or regulatory authorities.

Additionally, statements related to estimated costs to bring properties to production and quantities or magnitude of mineral deposits are considered to be forward-looking statements. Such statements can be affected by uncertainties associated with estimates of production costs, size, geology or composition of mineral deposits and capital expenditures; changes in exploration and development projects; risks associated with environmental or health and safety issues; and the Company's ability to raise capital. By its very nature, such information involves assumptions and uncertainties, therefore readers are cautioned not to place undue dependence on forward-looking information

ADDITIONAL INFORMATION

Additional information related to the Company is available on SEDAR at www.sedar.com the Company's website at www.clinemining.com .