

Cline Mining Corporation

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NEWS RELEASE

CLINE ANNOUNCES UP TO AN ADDITIONAL \$3,300,000 PRIVATE PLACEMENT

October 26, 2004

TSX-V:CMK.H

Sudbury, Ontario, October 26, 2004 – Cline Mining Corporation (the “*Company*”) wishes to announce that, subject to regulatory approval, it has entered into an agreement with Salman Partners Inc. (the “*Agent*”) to undertake a best efforts brokered private placement (the “*Offering*”) of up to 4,000,000 unit subscription receipts at a price of \$0.55 per unit subscription receipt for gross proceeds of \$2,200,000. In addition, the Agent has an oversubscription option to sell a further 2,000,000 unit subscription receipts for additional gross proceeds of \$1,100,000.

The proceeds from the Offering will be held in escrow pending graduation of the Company to Tier 1 or Tier 2 of the TSX Venture Exchange at which time each unit subscription receipt will automatically be converted, at no additional cost to the holder, into one share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at a price of \$0.75 per share for a period of 18 months from the closing date. In the event the Company does not graduate to the TSX Venture Exchange on or before December 30, 2004, then the proceeds plus applicable interest will be used by the Company to repurchase the subscription receipts.

The Company has agreed to pay the Agent a fee of 8.5% of the gross proceeds of the Offering. The Company will also issue to the Agent broker’s warrants exercisable in the aggregate for a number of common share equal to 10% of the total number of unit subscription receipts sold pursuant to the Offering. The broker warrants will be exercisable at a price of \$0.75 per share for a period of 18 months from the date of issue.

All securities issued with respect to the private placement will be subject to a hold period of four months from the closing date in accordance with the policies of the TSX Venture Exchange and applicable Canadian securities laws and such other further restrictions as may apply under foreign securities laws, if applicable. The private placement is subject to the requisite filings with the TSX Venture Exchange and applicable securities laws.

Proceeds of the Offering will be used to fund exploration activities on the Company's coal properties and for general working capital.

Cline Mining Corporation

"Ken Bates"
President

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