



## CLINE LAKE GOLD PROPERTY DRILL PROGRAM AND FINANCING

**Sudbury, Ontario, October 17, 2006.** Cline Mining Corporation (“Cline”) (TSX: CMK) is pleased to announce that it intends to carry out a significant diamond drilling program, commencing in early November, on its 100% owned Cline Lake Gold Property near Wawa, Ontario. Following a review of the mining and exploration history of the Cline Lake Gold Property Mr. Dale M. Hendrick P.Eng, a director of Cline and a Qualified Person for the purposes of National Instrument 43-101, has recommended a drill program comprising 9 diamond drill holes to be drilled in 3 sections, 3 holes per section, to varying vertical depths down to 2000 feet on the previously untested Edwards target.

Mr. Dale Hendrick reports that:

*“The Edwards target in the Cline-Edward Shear footwall has never been tested on the Cline property. In fact the Cline property has not been tested anywhere below 1000 ft. It should be noted that volcanogenic, sulphidized, structurally controlled gold deposits in the Precambrian Shield in Eastern Canada (Kerr Addison/Dale M .Hendrick, Chief Geologist; Hemlo:Joutel;Doyon/Bousquet) with similar geology and mineralized settings to the Wawa-Goudreau/Renabie-Cline Lake mineral belt are characterized by a surprisingly consistent increasing gold/depth gradient. At Kerr Addison, (1936-1992) low grade gold (sub 0.10 opt Au.) occurred from surface to the 1000 level; the grade then increased by 0.10 opt per 1000ft of mining depth that at bottom of ore body at 4600 level was averaging 0.50 opt.*

*The Cline Lake property is located 50 kilometres northeast of Wawa Ontario and consists of one 21 year renewable mining lease/claim comprising 120.57 hectares (300 acres).*

*Gold was discovered in 1918 by James Cline and intermittent mining continued until 1959 with 4 shafts being sunk that provided underground production of 332,670 tons with an average recovered grade of 0.21 oz.Au/ton.*

*The south end of property is crossed in an east-north-east direction (Az 75-80 degrees) by a major regional fault system known as the Goudreau Lochlash Deformation that continues for 100 miles defining a significant gold belt between the towns Goudreau and Renabie (a former producing gold mine). Mr Hendrick stated that in his opinion this structure is a similar mineralizing fault structure/system that is associated with the many gold/silver and copper/zinc producers along the 100 mile prolific “Kirkland Lake-Noranda-Cadillac-Malartic-Val D’Or Break”.*

*Locally, the fault is identified as the Edwards-Cline Shear that strikes N 80 degrees; it dips 65-70 degrees north and is located in the lower part of the Cline property just south of the Cline's deepest shaft (1165 ft).”*

## **Non-Brokered Flow-Through Private Placements**

The Company is also pleased to announce that it has entered into non-brokered flow-through private placement financing agreements for a total of \$1.1 million through the sale of 1,964,000 flow-through units ("FT Units") at a price of \$0.56 per FT Unit to the Mineralfields Group and other accredited investors. Each FT Unit will consist of one flow-through common share and one-half non-flow-through share purchase warrant with one whole share purchase warrant entitling the holder to acquire one additional common share of Cline at a price of \$1.15 per share for a period of eighteen months.

In connection with this placement, Cline will pay a cash finder's fee of 6.5 % of the total proceeds and grant options to purchase units equal to 7% of the number of units subscribed for at a price of \$0.56 per unit for a two year period to Limited Market Dealer Inc. and Canaccord Capital Corporation. Each unit would consist of one share and one-half common share purchase warrant entitling the holder to acquire one additional common share of Cline at a price of \$1.15 per share for a period of eighteen months.

Mineralfields Group (a division of Pathway Asset Management) is a Toronto-based mining fund with significant assets under administration that offers its tax-advantaged super flow-through limited partnerships to investors throughout Canada during most of the calendar year, as well as hard-dollar resource limited partnerships to investors throughout the world. Information about Mineralfields group is available at [www.mineralfields.com](http://www.mineralfields.com).

Cline Mining Corporation is a mine development company focused on the exploration and development of metallurgical coal in Canada for the international seaborne coal trade market, uranium and iron-ore in Madagascar and gold in Canada. The Company website is at [www.clinemining.com](http://www.clinemining.com)

## **CLINE MINING CORPORATION**

"Ken Bates"

### **Ken Bates, President and Chief Executive Officer**

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