



CLINE CLARIFIES DISCLOSURE ON IRON PROPERTIES IN MADAGASCAR ANNOUNCES RESTATEMENT OF FINANCIALS

Sudbury, Ontario, October 12, 2007, Cline Mining Corporation (“Cline” or the “Company”) (TSX: CMK) announces that as a result of a review by the Ontario Securities Commission, the Company is issuing the following news release to clarify disclosure in our news release dated July 30, 2007 with respect to the work carried out on our Bekisopa iron ore property by Dr. Allan Spector. In addition, the Company has determined that certain adjustments will be required to previously issued unaudited quarterly financial statements.

Clarification of Spector Report on Bekisopa

In June 2007, the Company completed an extensive investigation of 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. Dr. Spector carried out 21 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.

Until this drilling has been completed and results obtained, estimates of mass in these three prospects have no economic significance.

Readers are cautioned that the “*estimated total mass*” identified in our July 30, 2007 news release is conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

The technical information contained in this news release has been prepared and approved by Dr. Allan Spector a Qualified Person for the purposes of National Instrument 43-101.

Restatement of Financials

The Company has determined that certain adjustments will be required to the unaudited financial statements for the three months ended February 28, 2007 and the six months ended May 31, 2007 (the "February and May Financials").

None of the adjustments affect the Company's working capital and will have no effect on the Company's continuing operations. The adjustments relate to the application (including assumptions) or interpretation of the Black-Scholes option pricing model which calculates the fair value of equity options and the adoption of the CICA recommendations pertaining to financial instruments.

February Financials

Net income will increase by \$83,465 (unrealized gain on marketable securities) and comprehensive income will increase by \$22,700 (unrealized gain on investments) in the consolidated statement of operations as a result of adopting the CICA recommendations pertaining to financial instruments. The deficit and accumulated other comprehensive income, under shareholders equity, will increase by \$83,465 and \$22,700 respectively.

Net income in the February Financials will be decreased by \$539,000. Initially, no value was assigned when the terms of 5,000,000 previously issued warrants were changed from an exercise price of \$0.75 to \$0.35 and the exercise period was extended to January 8, 2009 from January 8, 2007. Using the Black-Scholes model, the fair value of this change has now been estimated as \$539,000. Warrant revaluation expense in the consolidated statement of operations and contributed surplus, under shareholders' equity, will both increase by this amount.

Net income will also be decreased by \$37,500 as a result of incorrect assumptions being used when applying the Black-Scholes model to the stock options issued during the period. Stock based compensation expense in the consolidated statement of operations and contributed surplus, under shareholders' equity, will both increase by this amount.

May Financials

The adjustments to the May Financials will have no effect on net income for the period but will include a reallocation between share capital and warrants of \$357,125 and a reallocation between share capital and contributed surplus of \$15,000 under shareholders' equity on the balance sheet. These adjustments arose due to incorrect assumptions being used when applying the Black-Scholes option pricing model to value certain share purchase warrants and agent options.

The Company will file the restated February and May Financials on SEDAR as soon as possible.

Cline Mining Corporation is a mine development company focused on the exploration and development of gold in Canada, uranium and iron-ore in Madagascar and metallurgical coal in Canada for the international seaborne coal trade market. The Company website can be located at www.clinemining.com

CLINE MINING CORPORATION

"Ken Bates"

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