



CLINE COMPLETES NEW ELK COAL MINE ACQUISITION C\$19 MILLION LOAN FINANCING BY MITSUI MATSUSHIMA

Toronto, Ontario July 28, 2008. Cline Mining Corporation (“Cline” or the “Company”) (TSX: **CMK**) announces that it has completed its acquisition of New Elk Coal Company LLC (New Elk Coal”) together with all of the New Elk Coal resources and coal mine properties and hard assets which are located near the town of Trinidad in Los Animas County, Colorado, U.S.A. The purchase price for New Elk was U.S.\$15.4 million, the assumption of existing U.S.\$2.8 million and U.S.\$967,000 mine reclamation bonds and a U.S.\$1.00 per ton royalty on coal sales with Cline having a buy-out right for \$15 million. The total of the acquisition costs and the capital and refurbishment expenditures to bring the mine back into commercial coal production at a production rate of 3 million tons of coal annually are estimated by New Elk management at U.S.\$100 million. The Company is in the course of arranging its ongoing financing requirements.

The New Elk Coal properties contain 315,000,000 tons of National Instrument 43-101 (“NI 43-101”) compliant in-place metallurgical steel making and thermal grade coals, which are detailed in the May 2008 43-101 Technical Report from Behre Dolbear & Company Ltd. to Cline. Mr. Gardar G. Dahl Jr. C.P.G. is the NI 43-101 Qualified Person for the Report. The complete NI 43-101 is available on the Cline website www.clinemining.com and on SEDAR at www.sedar.com.

New Elk Coal assets include a coal preparation plant with a designed production capacity of 550 tons per hour, product coal silos and rail load-out, buildings, railway right of way, surface real estate, mining equipment, conveyor systems, electrics, underground workings with mine portal access from the plant site, mine permit and coal waste dump.

The Company and New Elk Coal management will continue to proceed to bring the mine back into commercial production without delay. On completion of the planned capital and refurbishment input the plant and mine will have the capacity to produce 3 million tons of metallurgical steel making coal annually. The management plan is to recommence production within six months at an annual rate of 500,000 tons of coal in the first stage, initially trucking to rail head, and increasing production to the present plant design capacity of 3 million tons a year by year three with the re-installation by New Elk Coal of the rail line to the major railroad carriers from the plant to provide unit train service.

Concurrent with its acquisition of New Elk Coal the Company completed formal agreements to implement the terms of its June 23, 2008 Memorandum of Understanding with Mitsui Matsushima International Pty. Limited of Australia (“MMI”), a wholly owned subsidiary of Mitsui Matsushima Co. Ltd. of Japan. The Loan Agreement provides for a loan of C\$19 million to Cline with interest at the rate of 6% per annum, with both loan and interest being repayable within two years of draw down. MMI may convert up to C\$10,438,500 of the principal of the Loan into a maximum of 5,438,500 shares of Cline at a conversion price of C\$2.00 per share. The Loan may be repaid at any time without penalty, subject to the prior share conversion right of MMI. The loan and interest is secured by a charge on Cline’s interest in New Elk Coal and the assets of New Elk Coal. MMI is a major shareholder of the Company and is represented on its Board.

About Cline Mining

In addition to New Elk Coal, Cline has significant additional metallurgical coal property interests in British Columbia, Canada with Canadian Instrument 43-101 compliant independent Technical Reports. The total 43-101 reported measured, indicated and inferred coal in the Cline Canadian coal resources and in New Elk Coal exceeds 800 million tonnes. Cline Mining Corporation is a mine development company focused on the exploration and development of metallurgical steel making coals in Canada and the U.S. iron ore in Madagascar and gold in northern Ontario, Canada.

CLINE MINING CORPORATION

Ken Bates, President and Chief Executive Officer

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Forward Looking Information

All statements, other than statements of historical fact, contained in this news release, including any information as to the Company's current expectations with respect to the potential acquisition and future development of the New Elk Coal Properties, constitute "forward-looking information" within the meaning of applicable securities laws. Words such as "intend", "may", "will", "plan", "potential" or similar words suggesting future outcomes identifies forward looking information, which is, by its very nature, not a guarantee of Cline's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information made by, or on behalf of, the Company. Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be inaccurate. These factors include, but are not limited to: uncertainty related to the Company's title to its properties; liabilities inherent in coal mine development and production; geological, mining and processing technical problems; the Company's inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and coal processing operations; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; changes in commodity prices and exchange rates; changes in steel-making methods and other technological changes; the oversupply of, or lack of demand for, metallurgical coal; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, including labour stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; the other factors discussed under "Risk Factors" in Cline's 2007 Annual Information Form; and management's ability to anticipate and manage the foregoing factors and risks. Information relating to the magnitude or quality of mineral deposits is deemed to be forward-looking information. Head Offices: Toronto Office: TD Canada Trust Tower, 161 Bay Street, 27th Floor, Toronto, ON M5J 2S1 / Vancouver Office: Suite 2950 - 650 West Georgia Street, Vancouver BC V6B 4N8 The reliability of such information is affected by, among other things: uncertainty of estimates of their size or composition; uncertainty of projections relating to costs or production, transportation or estimates of market prices for products; the possibility of delays in mining activities; changes in plans with respect to exploration, development projects or capital expenditures; and various other risks including those relating to health, safety and environmental matters. The Company cautions that the list of factors set forth above is not exhaustive. Some of the risks, uncertainties and other factors which negatively affect the reliability of forward-looking information are discussed in the Company's public filings with the Canadian securities regulatory authorities, including its most recent management information circular, annual report, quarterly reports, material change reports and

news releases. Copies of the Company's Canadian public filings are available at www.sedar.com. The Company further cautions that information contained on, or accessible through, this website is current only as of the date of such information and may be superseded by subsequent events or filings. Except as required by applicable securities laws, the Company undertakes no obligation to update publicly or otherwise revise any information, including any forward-looking information, whether as a result of new information, future events or other such factors that affect this information.