



CLINE ANNOUNCES UP TO AN AGGREGATE OF \$6.9 MILLION IN DEBT AND EQUITY FINANCINGS AND NEW ELK COAL MINE UPDATE

Toronto, Ontario, Canada January 6, 2010. Cline Mining Corporation (“Cline Mining” or the “Company”), (TSX: CMK). Cline Mining announces that it has arranged financings of up to an aggregate of C\$6.9 million in debt and equity. The funds will be applied to complete the rehabilitation of the New Elk metallurgical coking coal mine in Colorado, which is presently in full progress, and working capital.

The debt financing is comprised of a C\$3.0 million loan (the “Loan”) from Mitsui Matsushima International Pty. Limited (“Mitsui Matsushima”) of Tokyo. The proceeds from the Loan will be applied directly to complete the rehabilitation plan at the New Elk coal mine. The Loan will bear interest at 6% p.a., and both the principal and interest will be repayable in one year, with a lender’s option to extend for a further year. The Loan will be collateralized against the Company’s Lossan coal property and Cline Lake gold property.

The equity financing is comprised of a brokered private placement, of up to C\$3.9 million, to be completed through PowerOne Capital Markets Limited (“PowerOne”), as agent. The Company has entered into an agreement with PowerOne to raise up to C\$3.9 million on a best-efforts basis, through the sale of up to 13,000,000 million units at a price of 30 cents per unit. Each unit will consist of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company. Each whole common share purchase warrant will entitle the holder to purchase one common share of the Company at any time within 24 months after the closing date of the equity financing at an exercise price of 40 cents per share. The private placement is expected to close on or about January 21, 2010 and is subject to the completion of the Loan to the Corporation from Mitsui Matsushima, certain other conditions typical for a transaction of this nature and the receipt of all necessary regulatory approvals, including the approval of the Toronto Stock Exchange.

Cline Mining’s New Elk coal mine in Colorado has a long and successful history of producing and delivering high quality metallurgical (coking) coal from its underground mine in southern Colorado to the steel making industry. Cline Mining acquired the mine in 2008. The mine has a large measured and indicated coal resource of 315,000,000 tons of in-place coal, which is detailed in its National Instrument 43-101 (“NI 43-101”) compliant Technical Report of May 8, 2008. In addition to its large coal resource, the coal mine assets include a coal preparation plant, product coal silos and rail load-out, buildings, railway right of way, surface real estate, conveyor systems, electrics, underground workings with mine portal access from the plant site, mine permit and a permitted coal refuse disposal site. The mine is accessed directly by paved highway from the town of Trinidad, southern Colorado.

On acquiring the New Elk mine, Cline began the process of mine reactivation. A Mine Exploration Plan was submitted to the US federal Mine Safety & Health Administration (“MSHA”). The mine water pumping system was installed and the mine dewatered. Two permanent mine ventilation fans were installed, the mine seals removed and the initial mine ventilation system established. The mine return air has been monitored in order to demonstrate to MSHA that the mine return air quality is acceptable. Sufficient surface infrastructure was reactivated to allow the mine rehabilitation program to proceed.

In October 2009, Cline made substantive changes in its senior operations management, in order to mobilize for the procurement and operating stages of the New Elk mine. In addition, Cline has entered into a long-term contract with Agapito Associates, Inc. (“AAI”) of Grand Junction, Colorado, for engineering/procurement support services. AAI are experienced mining engineers and Qualified Persons (QP) as that term is defined in NI 43-101. The initial New Elk mine plan, as well as capital and operating budget projections have been prepared in collaboration with AAI.

Following a thorough review, MSHA approved the initial Mine Exploration Plan in November, 2009. This allowed Cline to proceed with the initial exploration, which was completed on December 12, 2009 (pictures will be posted on the Cline website at www.clinemining.com). Concurrently with the mine exploration, Cline prepared and submitted to MSHA a Mine Rehabilitation Plan and all other plans required for operating of an underground coal mine. The approval of these plans is anticipated in the second half of January, at which time

Cline will begin a systematic rehabilitation of the mine as well as its preparation for the production stage. Concurrently, Cline continues with the reactivation and upgrading of the surface facilities and infrastructure. According to the current schedule, it is anticipated that the first saleable production will be available in the fourth quarter of 2010.

The Cline New Elk coal mine being located in the United States, and being subject to U.S. regimes in terms of capital and operating costs, is also paid for its coal sales in U.S. dollars, whether sales are in-country or on the international seaborne trade. Accordingly, Cline and New Elk have no exposure to foreign exchange risk, both revenues and cost being in the same currency.

About Cline Mining

In addition to its Cline Lake Gold Mine Property, Cline has significant metallurgical coal property interests in British Columbia, Canada and in Colorado, U.S.A. with NI 43-101 compliant independent Technical Reports. 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 the Cline Lake Gold Mine Property in northern Ontario, Canada.

CLINE MINING CORPORATION

Ken Bates, President and Chief Executive Officer

Forward-Looking Information

This news release may contain forward-looking statements (including "forward-looking information" within the meaning of applicable Canadian securities laws), including information relating to the magnitude or quality of mineral deposits, the economic assessment and estimates regarding the mine life of the New Elk coal mine, and the timing and completion of financings. The timing of drilling and work recommended by the 43-101 Report is based on current internal expectations, which may prove to be incorrect. Other risk factors are discussed under "Risk Factors" in Cline's 2008 Annual Information Form, and include management's ability to anticipate and manage risk factors. Such forward-looking statements necessarily involve known and unknown risks and uncertainties that are common to junior mineral exploration companies. These risks and uncertainties include, among other things, the Company's need for additional funding to continue its exploration efforts, changes in general economic, market and business conditions, and competition for, among other things, capital and skilled personnel. These statements are not a guarantee of future performance and undue reliance should not be placed on them. The Company undertakes no obligation to update or revise any forward-looking statements except as required by applicable securities laws.

Copies of the Company's public filings under applicable Canadian securities laws 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 filing such information and may be superseded by subsequent events or filings.

The technical information contained in this press release has been prepared and reviewed by Dennis Mraz, P.Eng., Executive Vice President and Chief Operating Officer of the Company, a qualified person within the meaning of NI 43-101.

This Press Release is not for distribution to U.S. news services or for dissemination in the United States, and does not constitute an offer of the securities described herein. The securities referenced herein have not been registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to U.S. persons unless registered or exempt therefrom.

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

Contacts: Ken Bates, President and CEO
Ernest Cleave, Vice-President and CFO

Office: (416) 572 2002
Email: info@clinemining.com
Website: www.clinemining.com