



CLINE EXTENDS LOAN AGREEMENT WITH MITSUI

Toronto, Ontario, Canada, July 20, 2010 – Cline Mining Corporation (TSX: CMK) (“Cline” or the “Company”) is pleased to announce that it has agreed with Mitsui Matsushima International Pty. Ltd. (“Mitsui”) to a one year extension of the Cline-Mitsui Loan Agreement dated July 18, 2008 for CDN\$19 million. The extended principal repayment will be subject to an interest rate of 12% per annum calculated annually and will mature on July 25, 2011 (“Maturity Date”). Cline will pay the interest accrued to July 25, 2010 in accordance with terms of the July 18, 2008 Loan Agreement.

The main terms of the Extension Agreement include the following: firstly, Cline has the right to prepay the loan and any accrued and unpaid interest at any time from time to time, without penalty, before the Maturity Date; additionally, Mitsui has the option to convert up to CDN\$19 million of the principal balance of the loan into shares of Cline Mining Corporation at the price of CDN\$1.50 per share, subject to the approval of the Toronto Stock Exchange; further, Cline will repay Mitsui \$2.0 million of the Principal amount of the Debt by December 31, 2010, and commencing in January 2011, the Company will repay Principal amounts of the Debt in amounts equal to ten percent (10%) of the proceeds from the sale of coal from its New Elk Coal Mine each month.

The proceeds from the Mitsui loan for CDN\$19 million were used for the acquisition of the New Elk Coal Mine, located in Las Animas County, Colorado, U.S.A. The mine is now in development, on schedule and on budget for first production of high quality metallurgical coking coal in Q4 of 2010, proceeding to 3 million tons annually. Cline’s New Elk Coal Mine has a measured and indicated coal resource of 315 million tons of in-place coal as documented in the 2008 Behre Dolbear independent NI 43-10 Technical Report. The initial Behre Dolbear report was referenced and relied upon by Agapito Associates, Inc. in its Preliminary Assessment dated March 13, 2010, which assessment was supported by a NI 43-101 compliant Technical Report. Both reports are available on SEDAR and Cline’s website at www.clinemining.com.

In addition to its coal resource the coal mine assets include a coal preparation plant, product coal silos, buildings, 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. For an update on mine progress and permitting, please see Cline’s News Release dated July 14, 2010.

The New Elk Coal Mine is accessed directly by paved highway from the town of Trinidad, southern Colorado. Employment levels at the mine have reached 60 people, at least half of which have been hired locally. A video, which was shown at the Annual and Special Meeting of Shareholders of the Company on Friday June 11, 2010 is available showing the progress and key people interviews in Trinidad and at the New Elk Coal Mine and can be viewed on Cline’s website (www.clinemining.com).

About Cline: 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.

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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 use of proceeds from the Offering, 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 NI 43-101 Technical Report is based on current internal expectations, which may prove to be incorrect. Other risk factors are discussed under "Risk Factors" in Cline's Annual Information Form for its 2009 financial year end, 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 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.

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