



CLINE MINING ENTERS INTO DEFINITIVE AGREEMENTS FOR A US\$50 MILLION DEBT FINANCING

Toronto, Ontario, Canada December 20, 2011. Cline Mining Corporation (“Cline” or the “Company”) (TSX:CMK) is pleased to announce that it has entered into a trust indenture (the “Trust Indenture”) with Computershare Trust Company of Canada and Marret Asset Management Inc. (“Marret”) which provides for the issuance by the Company of up to US\$50 million senior secured bonds (the “Bonds”) to certain bondholders (the “Lenders”).

The Bonds will have a maturity date that is two years from the date of initial issuance of Bonds and bear a coupon of 10% per annum, payable semi-annually in arrears in equal instalments.

In consideration for the Lenders’ commitment to take up the Bonds (the “Commitment”), the Company issued an aggregate of 7.5 million common share purchase warrants (the “Commitment Warrants”) to the Lenders exercisable at a price of C\$1.75 at any time on or before September 30, 2014. These warrants were issued in two tranches with the first 3,000,000 being issued on October 14, 2011 and the balance of 4,500,000 warrants being issued on December 13, 2011.

Pursuant to the terms of the Financing, the Company is also obligated to issue to the Lenders a further 1.25 million common share purchase warrants (the “Drawdown Warrants”) for every US\$25 million in principal of the Commitment that is drawn down. The Drawdown Warrants are exercisable at a price equal to 120% of the volume weighted average price of Cline’s common shares over the previous 10 trading days on which a formal drawdown notification is given to the Lenders. Each Drawdown warrant is exercisable into one common share of the Company and will expire three years from their date of issuance.

Subject to satisfaction of standard terms and conditions set forth in the Trust Indenture, Cline may drawdown on the Commitment by issuing the Bonds at any time prior to December 13, 2012 to the Lenders.

Ken Bates, the President and CEO of the Company, commented, “We are delighted to have finalized the documentation related to the previously announced Commitment within our projected timeline especially in light of the volatile global market, where funding transactions have become more challenging. The net proceeds received from the issuance of the Bonds will provide a significant and desirable financial cushion to carry out planned capital improvements and expansions on the New Elk mine necessary for production increases.”

GMP Securities L.P. acted as financial advisor to the Company in connection with the issuance of the Bonds.

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.

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 and U.S. securities laws), including without limitation, those regarding the Commitment and the timing and completion of the financing. Such forward-looking statements necessarily involve known and unknown risks and uncertainties that are common to mineral exploration companies. 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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