



## CLINE MINING ACQUIRES ADDITIONAL PROPERTIES

**Toronto, Ontario, Canada, May 24, 2012.** New Elk Coal Company LLC (the “Company” or “New Elk”), a wholly owned subsidiary of Cline Mining Corporation (“Cline”) (TSX:CMK) has entered into an Agreement with the Department of Wildlife of the State of Colorado (“DOW”) significantly extending its present DOW coal mining property area at its New Elk coal mine in Las Animas County, southern Colorado, as announced on May 14, 2012. The initial New Elk DOW coal mine lease covers an area of 15,553 acres, and the extension area will add a further 14,387 contiguous acres to the initial DOW lease, resulting in a new total coal lease area of 29,940 acres.

The Company also has purchased the Secora Ranch, or “Pacesetter” property, north of the mine portals, expanding the New Elk mine property and coal resource by another 1,346 contiguous acres.

The DOW extended lease area and Secora Ranch are coal bearing and the Company has commissioned Agapito Associates, Inc. to prepare a National Instrument 43-101—*Standards of Disclosure for Mineral Projects* (“NI 43-101”) Technical Report of coal resources on the new acreage and to update the Mineral Resource for the entire property based on results from the New Elk 2011 and 2012 exploration drilling programs. The Company completed 16 rotary-core exploration holes on the property in 2011 and another 4 holes in 2012 for the purpose of characterizing continuity of the deposit and coal quality.

Agapito Associates, Inc. evaluated electric logs from 256 natural gas wells on and near the property for the purpose of defining seam continuity and thickness, and enhancing the existing geological model. Records for 9 historical rotary-core holes were also obtained and added to the 189 historical rotary-core holes already contained in the geological model. The current geological model includes a combined total of 510 rotary-core holes and natural gas wells, as well as 4 outcrop measurements.

Agapito Associates, Inc. reports that the extended DOW lease contains a 550.0 million ton Measured and Indicated (“M&I”) coal resource, representing a 219.6 million ton increase over the 330.3 million ton resource reported in the NI 43-101 report titled “NI 43-101 Technical Report, New Elk Mine Project, Los Animas County Colorado, USA Prepared for New Elk Coal Company LLC, subsidiary of Cline Mining Corporation” dated May 27, 2011 (the “2011 Technical Report”) by Agapito Associates, Inc. Of the 219.6 million ton increase, 47.6 million tons are the result of the extended lease acreage and 2011-12 exploration drilling. The remaining 172.0 million tons is the result of four new low-sulfur, high-volatile, B bituminous coal seams that were defined by exploration drilling and subsequently added to the resource: the Green, Loco, Bing Canyon Upper, and Red seams. These seams are in addition to the four original seams reported in the 2011 Technical Report: the Blue, Maxwell, Apache, and Allen seams.

The DOW lease extension increases the Inferred resource in the original Blue, Maxwell, Apache, and Allen seams by 25.1 million tons, from 22.7 to 47.8 million tons. The new seams, the Green, Loco, Bing Canyon Upper and Red, contribute another 56.1 million tons to the Inferred resource within the DOW lease.

Agapito Associates, Inc. reports a total M&I coal resource for the New Elk property of 618.9 million tons

and an additional 104.5 million tons of Inferred coal resource, including the extended DOW lease, the recently acquired Secora Ranch, and the four new coal seams. This represents an increase of 230.4 million tons of M&I coal resource and 81.8 million tons of Inferred coal resource from the 2011 Technical Report. The resource is summarized by seam and resource category below.

*Effective Date: May 24, 2012*

<b>SEAM</b>	<b>MEASURED</b>	<b>INDICATED</b>	<b>MEAS. &amp; IND.</b>	<b>INFERRED</b>
<b>Green</b>	31.9	27.5	59.4	0.1
<b>Loco</b>	14.4	30.0	44.3	26.6
<b>Blue</b>	52.2	38.1	90.3	0.9
<b>BCU</b>	12.8	36.8	49.6	30.0
<b>Red</b>	23.3	10.3	33.6	0.0
<b>Maxwell</b>	72.1	71.7	143.8	17.4
<b>Apache</b>	50.3	56.8	107.1	15.4
<b>Allen</b>	42.8	47.9	90.7	14.1
<b>Totals</b>	<b>299.8</b>	<b>319.1</b>	<b>618.9</b>	<b>104.5</b>

The above resource is categorized as low sulphur, high-volatile, B bituminous coal, suitable for blending in the coking or pulverized coal injection (PCI) markets. Additional potential resources have been identified in the extended DOW lease, which are contiguous to the above resource but require future definition by additional drilling.

Dennis Z. Mraz, P.Eng. of New Elk Coal Company LLC and Leo J. Gilbride, P.E., of Agapito Associates, Inc., both qualified persons under NI 43-101, have reviewed and approved the technical information in this news release.

About Cline: Cline has significant metallurgical coal property interests in North America 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 North America, 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 legislation and "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995) relating to, among other things,*

*Cline's future operations of its New Elk coal mine. Information concerning mineral reserve and resource estimates may also be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. Such statements are based on assumptions, estimates, forecasts and projections made in light of the trends, conditions and expected developments that are considered to be relevant and reasonable in the circumstances at the date that such statements are made. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Cline and New Elk to be materially different from those expressed or implied by such forward-looking information. A number of factors and assumptions may cause actual results, level of activity, performance or outcomes of the Company and Cline to be materially different from those expressed or implied by such forward-looking statements including the operational forecasts for the New Elk coal mine. More detailed risks are set forth in other public filings of Cline which may be accessed on Cline's profile page at [www.sedar.com](http://www.sedar.com). Consequently, undue reliance should not be placed on such forward-looking statements. In addition, all forward-looking statements in this news release are given as of the date hereof. The Company and Cline disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, save and except as may be required by applicable securities laws.*

***Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Mineral Resources***

*This news release uses the terms "Measured", "Indicated" and "Inferred Mineral Resources" in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards. While such terms are recognized under Canadian securities legislation, the United States Securities and Exchange Commission does not recognize these terms. The term "Inferred Mineral Resource" refers to a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. These estimates are based on limited information and it cannot be assumed that all or any part of an "Inferred Mineral Resource" will be upgraded to a higher classification resource, such as "Indicated" or "Measured", as a result of continued exploration. Accordingly, an estimate relating to an "Inferred Mineral Resource" is insufficient to allow meaningful application of technical and economic parameters or to enable an evaluation of economic viability. Under Canadian securities legislation, estimates of an "Inferred Mineral Resource" may not form the basis of feasibility or other economic studies. Investors are cautioned not to assume that all or any part of an "Inferred Mineral Resource" is economically or legally mineable. Investors are also cautioned not to assume that all or any part of "Indicated" or "Measured Mineral Resources" will ever be converted into "Mineral Reserves" (being the economically mineable part of an "Indicated" or "Measured Mineral Resource").*

Head office: Brookfield Place, 181 Bay Street, 3rd Floor, Clarkson Gordon Heritage Building, Toronto, ON, M5J 2T3

Contacts: Ken Bates, President and CEO  
Ernest Cleave, Vice-President and CFO  
Office: (416) 504-7600  
Email: [info@clinemining.com](mailto:info@clinemining.com)  
Website: [www.clinemining.com](http://www.clinemining.com)