



CLINE MINING CORPORATION FILES SUIT AGAINST THE PROVINCE OF BRITISH COLUMBIA FOR EXPROPRIATION OF COAL PROPERTIES

Toronto, Ontario, Canada May 29, 2012. Cline Mining Corporation (“Cline Mining” or the “Company”) (TSX:CMK) has filed a notice of civil claim (the “Claim”) dated May 28, 2012 in the Supreme Court of British Columbia against the Province of British Columbia (the “Province”) with respect to Cline Mining’s Lodgepole, Sage Creek and Cabin Creek coal properties located in the Flathead Valley in Southeastern B.C. and the Province’s passing of the *Flathead Watershed Area Conservation Act* (the “Act”).

Cline is seeking a declaration that its rights under its coal licenses and coal license applications for the Lodgepole, Sage Creek and Cabin Creek properties were expropriated, taken or injuriously affected by the Province’s passing of the *Act* and of the Flathead Watershed Area Order in Council and Regulation 41/2010 which created a Mineral and Coal Land Reserve on all lands within the Flathead River Watershed Area.

Cline is also seeking compensation including, but not limited to, the loss of the value of the licenses and applications for licenses for these properties, estimated at in excess of \$500 million on a net present value basis over the expected lives of the mines. Cline has retained counsel at Fraser Milner Casgrain LLP in Vancouver, BC to advance the legal proceedings on its behalf.

About Cline: Cline has metallurgical coal property interests in British Columbia and in Colorado, U.S.A. with NI 43-101 independent Technical Reports. Cline Mining Corporation is focused on the exploration and development of metallurgical steel making coals in Canada and the U.S., and on its iron ore property in Madagascar and its Cline Lake gold property in northern Ontario, Canada.

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