



## **CLINE MINING ANNOUNCES MODIFICATION TO MINING SCHEDULE**

**Toronto, Ontario, Canada – July 11, 2012.** Cline Mining Corporation (“Cline Mining” or the “Company”) (TSX: CMK) announces today that as part of its ongoing mine plan review process, intended to maximize short-term production values and ensure the viability and NPV growth of the New Elk coal mine (“New Elk”) (see Cline press release dated July 3, 2012), the Company will be temporarily suspending production at New Elk to manage costs. Cost efficiency, the preservation of the Company’s financial condition and achieving sustainable sales contracts remain a priority for the Company.

This announcement reflects previous statements regarding the mine optimization process. Due to the production suspension, the Company’s workforce will be temporarily reduced by 78%, with the majority of the Company’s personnel at New Elk receiving notice of temporary lay-off for an anticipated sixty (60) day period, which gives the Company time to pursue strategic alternatives, potential financing and complete the sale of the coal in inventory as part of the review process. The Company will continue to provide health, vision and dental benefits to personnel who are currently eligible for, and receiving, such benefits, during this sixty (60) day period. While the Company anticipates that the duration of the layoffs will last for approximately sixty (60) days, the variability of market conditions and other economic factors make it impossible to project an exact personnel return date with certainty. The Company currently has approximately 70,000 tons of saleable coal stockpiled at New Elk and the Company will retain personnel on an as-needed basis to load stockpiled product and maintain the asset for any sales made during this period.

New Elk Coal Company LLC’s recently-appointed Chief Operating Officer, David Stone commented: “The Company acknowledges it is extremely regrettable that the workforce is being temporarily laid-off, but Cline believes it is in the Company’s best interests to manage its cash position during the mine optimization period. The combination of cash conservation from the temporary suspension of operations and reduction of our workforce will enable both the plan to be properly developed and implemented efficiently and effectively. During this time, the Company has a significant stockpile of quality coal product and a workforce capable of loading the coal should a sales agreement be made.”

Ken Bates, President, CEO & Director of Cline Mining commented: “The Company’s Board of Directors felt it prudent to make these decisions given current market conditions, which preserves the Company’s financial condition as we move toward completing the mine review and optimization process which we believe will make certain the long term viability and NPV of the New Elk coal mine.”

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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## Forward-Looking Information

This press release contains 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, the operations of the Company, the environment in which it operates and the Company's future financial and operating performance. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". 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 statements are not guarantees of future performance and such information is inherently subject to known and unknown risks, uncertainties and other factors that are difficult to predict and may be beyond the control of the Company. A number of factors and assumptions may cause actual results, level of activity, performance or outcomes of the Company to be materially different from those expressed or implied by such forward-looking statements including, without limitation, the future price of coal, the estimation of mineral reserves and resources, capital, operating and exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters and other risks set forth in other public filings of the Company. Consequently, undue reliance should not be placed on such forward-looking statements. In addition, all forward-looking statements in this press release are given as of the date hereof. The Company disclaims 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.