CLINE MINING ANNOUNCES Q1 QUARTERLY FINANCIAL RESULTS

Toronto, Ontario, Canada May 15, 2012. Cline Mining Corporation ("Cline" or the "Company") (TSX:CMK) today announced its results for the interim period ended February 29, 2012. The Company has published and filed its unaudited Financial Statements ("Financials") together with its Management Discussion and Analysis ("MD&A") for the first quarter of its fiscal year ended February 29, 2012. The following highlights portions of the Financials and MD&A.

Strategic Developments

Acquisition of Additional Resource

On May 9, 2012, New Elk Coal Company LLC ("New Elk" or "NECC"), a wholly owned subsidiary of Cline, signed a coal mining lease agreement with the Department of Wildlife of the State of Colorado ("DOW") which significantly extended NECC's original DOW coal mining property at its New Elk coal mine (the "New Elk Mine") in Las Animas County, southern Colorado. 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 property area of 29,940 acres.

The extended DOW leased coal property is coal bearing and the Company has commissioned AGAPITO Associates Inc. to prepare a National Instrument 43-101 Report of coal resources on the extended area. A resource report is expected by May 24, 2012, with the full report to be published within 45 days thereafter.

The initial DOW lease area contains 330.3 million tons of coal resources out of the total of 388.5 million tons of coal resources on all of the New Elk property, as reported in the updated National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("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.

Industry Trends and Share Price Decline

The coal mining industry is presently experiencing a challenging global business climate resulting from the economic and financial conditions prevailing in the developed world, including the European Union and the USA. The recessional forces have resulted in noticeable reductions in demand for commodity based industries, and particularly in global steel making. This has resulted in oversupply conditions prevailing in metallurgical coal markets, upon which our Company and similarly situated mining companies are reliant. The oversupply has naturally resulted in price cutting and high cost to marginal cost producers are facing production decisions.

Against this backdrop, the recessionary economics have impacted the coal mining industry, putting pressure on its margins and concerning investors. Cline has not been immune to market forces as evidenced by the decline in Cline's share price by 74.6% from its high over the past 52 weeks. However, this decline is in line with other coal mining companies. The following is an overview of share price declines of some major US coal miners as a percentage of their 52-week high: CONSOL down 39.3%, Peabody down 54.8%, Alpha down 73.8%, Arch down 74.7%, Patriot down 78.9% and James River down 82.6%.

In the current situation, where there is an industry wide decline in coal prices it is important to focus on the fact that commodity markets are cyclical and that although the industry is at the downturn of the cycle, the Company sees the tentative signs of an impending cyclical recovery.

Despite market trends and certain delays which Cline has faced during its ramp-up to production of quality metallurgical coal, the Company has been able to take reactive measures to appropriately respond to such issues. Thus, with some necessary adjustments having been made, the Company believes it has been able to withstand the turbulence and is well positioned to meet its revised near term and long term production forecasts.

Coal Shipments

The Company has accumulated sufficient coal on its stockpiles to make its first Panamax shipment and has advanced negotiations with potential buyers with confidence that it will soon conclude its first international shipment of metallurgical coal, destined for the Chinese market. Commented Cline's Director of Marketing: "While the spot market for coal in general and for coking coal specifically is very weak right now, we believe that we will see increasing demand over the remainder of the year". The Company cannot with certainty provide accurate guidance on pricing within the current market, but reports from the industry suggest lows for coal prices of similar material, measured at the port ("FOB"), of $130 dollars per metric ton. The Company does not expect that such pricing is sustainable for the industry as a whole and is confident that pricing and demand will improve over the course of the year.

Financial

Loss of $20,767 and comprehensive loss of $7,532,263 (basic and diluted loss of $0.00 per share) for first quarter 2012 compares with a loss of $1,039,094 and comprehensive loss of $5,412,602 (basic and diluted loss of $0.01 per share) for first quarter 2011. Cash used in operating activities of $1,629,352 for first quarter 2012 compares with $949,077 for first quarter 2011.

Mineral properties under development costs of $30,943,637 for first quarter 2012 brings the total for mineral properties under development to $203,346,412. The expenditures were substantially all incurred at New Elk mine.

As at November 30, 2011 the Company had cash of $43,865,313, total assets of $258,398,207 and shareholders' equity of $239,525,881, compared with $58,561,743, $252,686,962 and $239,194,896 respectively as at November 30, 2011.

Forecast

At the present time the New Elk Mine has 305 employees. This level of employment is sufficient to operate 2 super-sections with one super-section currently idle. With two super-sections and 300 employees, the New Elk mine can produce a total of 650,000 tons in 2012. If the Company decided to employ additional employees (up to approximately 500), it would have the capacity of operating five super-sections. Mine production forecast under such a scenario would result in the production of 1.2 million tons of coal in 2012, in which case the full operating capacity of 3.0 million tons of saleable coal per annum would be reached by January 2013.

The decision on whether or not to increase the mine employment and the production capacity is highly dependent on the ability of the Company to sell its coal production at economically acceptable prices. Based on the current near-term market outlook, the Company may further rationalize production and costs, such that it matches its forecasted ability to sell coal during the remainder of 2012. The Company has the ability to substantially reduce its operating and capital costs levels, which is considered prudent in the current weak coal market.

The Company has therefore decided to operate one and a half super-sections over the short term, with a total employment level of 235. This alternative would generate production of 470,000 clean coal tons in 2012 and matches closely the Company's anticipated forecast of sales for 2012. The operating and capital costs, as well as sales requirements attributable to this scenario are detailed further below.

While market demand for metallurgical coal is currently weak and coal prices are significantly lower than during 2011, the Company is cautiously optimistic that the coal markets will improve during the final quarter of 2012. As coal markets improve, the New Elk Mine is in position with ample productive capacity to quickly mobilize and expand to its design production rate of 3.0 million tons of clean saleable coal per annum.

Cash and Liquidity

As at February 29, 2012 the Company had cash and cash equivalents of $43,865,313, compared with $58,561,743 at November 30, 2011. The reduction in cash is associated operational and capital expenditures at the New Elk Mine, as reflected above.

As discussed, capitalized mineral property and deferred costs increased in aggregate by $32,702,998 during first quarter 2012. To minimize liquidity risk, the Company prepares budgets for both its exploration activities and its overhead expenditures and closely monitors its liquidity position. The Company's working capital position at February 29, 2012 of $41.7 million compares with $48.4 million at November 30, 2011. The cash balance at the end of April, which includes the second $25 million drawn down from the Company's debt facility was approximately $35 million.

At February 29, 2012, the Company did not recognize operating revenues and will offset its capitalized operating costs with any revenue until such time as certain revenue recognition criteria are met, as detailed above. The Company will continue utilizing its current cash reserves and funding secured through the exercise of outstanding warrants and stock options and/or new financing efforts until sustainable sales are achieved. Production at the New Elk Mine started at the end of December 2010 and although commercial sales have not been recognized to date, sales are anticipated to increase during the latter half of 2012 such that the Company will start recognizing and recording sales.

For the period May 2012 to December 2012 the Company anticipates spending the following amounts based on the revised operational plan: operating costs of approximately $36.0 million and new capital of approximately $16.0 million. The Company's plan for calendar 2012 anticipates the sale of approximately 470,000 tons of coal, which translates into almost 7 Panamax shipments of coal. This scenario would leave the Company with approximately $18 to $24 million in cash, using projected prices between $130 FOBT and $160 FOBT.

The Company has drawn down on all $50 million of its debt facility as described in the MD&A, which provides it with the necessary working capital flexibility it will require as sales ramp up over the course of 2012. To pay for all remaining operating expenditures and capital expenditures detailed above, the Company will need to sell the equivalent of approximately 250,000 tons of coal, or almost 4 Pananmax shipments of coal, by projecting over the full year the current low price for high-volatile coking coal of $130 metric FOBT.

The ultimate revenues received are highly dependent on anticipated coal prices and production levels. Readers are directed to the Market Risk disclosures in Note 4 to the Company's annual audited consolidated financial statements and Note 5 of the Company first quarter 2012 unaudited condensed interim consolidated financial statements for a fulsome discussion in this regard.

Current liabilities and total liabilities at February 29, 2012 of $6,268,468 and $18,872,326 compares with $12,871,889 and $13,492,066 respectively at November 30, 2011.

New Elk Production and Development

A total of six continuous mining machines were employed in three walk-through super-sections in the two coal seams of the New Elk Mine in March 2012. At that time, a combined count of New Elk and contract manpower was at 360 employees. A year-to-date production at the end of February was 66,383 ROM tons and 19,145 clean tons of metallurgical coal. At the end of April, year-to-date production was 162,065 ROM tons and 55,539 clean tons of metallurgical coal. Several factors contributed to lower rates of production in the first four months of the year. The initial staging area in the Blue seam was restricted and it had to be excavated to a height of 8 feet while the seam was only 4.5 feet high. In addition, the 3.5 feet of sandstone rock in the mine roof allowed only very slow cutting rates while the high content of rock in ROM coal resulted in very low plant yields. Finally, the process of transition from the contractor's to owner's management with hiring of large number of contractor's employees caused a temporary disruption in the work place, which has now successfully been dealt with.

The coal processing plant, which was upgraded in 2011, has demonstrated that it is capable of producing efficiently very high quality coal. All circuits and particularly fines circuit, processing fine coal less than one millimetre in size, are now capable of producing coal at or below specified ash level with very good coal recovery. Unfortunately, initial development in both Allen and Blue seams required excavating additional rock intervals in order to facilitate access and ventilation in these mines, which caused excessive out-of-seam dilution. In the second half of May, the height of excavation in both seams will be reduced to 5.5 feet, which will reduce the amount of dilution and improve plant yield. It will also allow higher cutting rates in the mining faces.

In February 2012, the Company made a strategic decision to take over the management of mine operations from TK Mining Services LLC along with most of the TK management personnel and to negotiate the labour supply contract with TK for a provision of hourly employees. A decision was made to terminate the TK contract effective May 1, 2012. During the month of April, NECC offered employment to select TK employees. This process was completed by May 1, 2012 and resulted in a reduction of the NECC employment to 305 employees.

The recent upgrade of the plant, which was completed in December 2011, included increasing the plant capacity from 650 to 800 Run Of Mine ("ROM") tons per hour, as well upgrading of the fines circuit. The fines circuit, which processes coal at sizes below 1.0 mm, is now capable of producing clean coal at below the product specification of 8.0% ash. This will substantially improve coal recovery and potentially improve the pricing of New Elk's coal. The coal processing plant was modified during 2011 in light of the initial start-up coal production experience to maximize the saleable coal production and quality for market. The modification was successful and the plant is producing specification coal at design levels.

Coal prices and trends

The international coking coal market volume is approximately 275 million tons. Australia supplies roughly 60% of this total and as such the pricing for the various grades of coking coal are set by the major Australian producers and the major steel makers in Asia.

The Japanese Steel Mills ("JSM") have traditionally set the price with the Australians commencing April 1 in each year. In 2011, the Australian coal producers insisted on quarterly pricing. The April 2011 price for premium hard coking coal was $330 per MT. Since that settlement, the price has decreased to the present reported price of $215. Japan is still the single largest importer of coking coal, taking approximately 60 million tons per year.

Coking coal is utilized in the production of steel via the blast furnace process. China produces more than half the world's blast furnace produced steel. China was importing approximately 30 million tons of coking coal on an annual basis in 2011. When China's booming economy began to slow down in 2011, the steel industry cut back substantially. In July of 2011 China produced 55 million tons of blast furnace steel and in November of 2011 that figure was 45 million tons.

This slow-down coupled with the well publicized European economic malaise has had an understandable effect on the global coking coal market. For example, the NYMEX price for Central Appalachian Steam Coal was $79.02 in June of 2011 and is presently $57.92.

Nonetheless, all major Asian steel producers have been increasing production. Additionally, in March 2012, the Chinese mills produced 57 million tons of crude steel, a 7% increase over the previous month and Japan showed a 9% increase. This trend is projected to continue and, based on industry news, the major Australian coal producers are asking for increased pricing going forward. The spot market should also begin to firm once the previously discussed recessionary forces begin to abate. The Company is optimistic that the increased demand and the absence of dumped tonnage should steer the market to a solid recovery in both price and tonnage.

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 future financial and operating performance of the Company and its affiliates and the environment in which they operate, the timing and amount of capital expenditures, the results of exploration and mine development, the availability of funding to the Company, and the timing of geological reports. 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, permitting of mining operations and development projects, 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 requirements. Consequently, undue reliance should not be placed on such forward-looking statements. More detailed risks are set forth in other public filings of the Company which may be accessed on the Company's profile page at www.sedar.com. 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.

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