CLINE MINING ANNOUNCES FILING OF 2012 FINANCIAL STATEMENTS AND ITS MANAGEMENT DISCUSSION AND ANALYSIS

Toronto, Ontario, Canada February 28, 2013 -- Cline Mining Corporation ("Cline Mining" or the "Company") (TSX:CMK) announced today the filing of its audited Financial Statements ("Financials") in conjunction with its Management Discussion and Analysis ("MD&A") for the year ended November 30, 2012 ("2012"). The following highlights portions of the Financials and MD&A. A complete copy of the Company's Financials for the period, together with the MD&A, can be accessed under the Company's profile on www.sedar.com. All figures are expressed in Canadian Dollars unless otherwise indicated.

Restructuring

The Company's current priority is its financial restructuring, which includes negotiating and executing a binding agreement with respect to a letter of intent it entered into today regarding a potential recapitalization that would result in a minimum of $35,000,000 of gross cash proceeds to Cline.

Full Year 2012 Financial Summary

At November 30, 2012 the Company had assets of $289,971,819 compared with $252,686,962 at November 30, 2011. During 2010 and 2011 the Company successfully raised funds resulting in gross proceeds of approximately $106.7 million and $86.3 million respectively. The net equity position of $237,654,141 at November 30, 2012 compares with $239,194,896 at November 30, 2011.

Mineral properties under development of $271,647,166 at November 30, 2012 compares with $169,603,022 at November 30, 2011, the increase being attributable to significant development expenditures incurred during 2012 at the Company's New Elk mine. Exploration and evaluation assets of $3,695,000 at November 30, 2012 compares with $3,132,097 at November 30, 2011.

The loss for 2012 of $4,958,731 and comprehensive loss of $11,309,851 (basic and diluted loss of $0.02 per share) for 2012 compares with earnings of $9,539,076 and comprehensive earnings of $15,402,287 (basic and diluted earnings of $0.05 per share) for 2011. Cash used in operating activities of $3,774,455 for 2012 compares with $5,282,780 for 2011, reflecting the cash impact of foreign exchange gain and interest income during 2012.

As at November 30, 2012 the Company had cash and cash equivalents of $2,009,398 compared with $58,229,399 at November 30, 2011. The reduction in cash is associated with operational and capital expenditures at the New Elk mine, as reflected above. The Company's working capital deficiency at November 30, 2012 of $5.5 million compares with working capital of $48.1 million at November 30, 2011. Capitalized mineral property and deferred costs increased in aggregate by $102,044,144 during 2012.

Bonds payable at November 30, 2012, current and long term, of $43,164,777 compares with $Nil at November 30, 2011 (December 1, 2010: $Nil). Current liabilities and total liabilities at November 30, 2012 of $10,452,109 and $52,317,678 respectively, compares with $12,871,889 and $13,492,066 respectively at November 30, 2011.

At November 30, 2012, the Company did not recognize operating revenues and will offset its capitalized operating costs against any revenue until such time as the Company's New Elk mine reaches commercial production and revenue recognition criteria are met. 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.

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

Fourth Quarter 2012 Financial Summary

Earnings for the fourth quarter 2012 of $2,832,667 ($0.014 per share) compares with earnings of $18,706,242 ($0.090 per share) for the three months ended November 30, 2011 ("fourth quarter 2011").

Cash used in operating activities of $637,831 for the fourth quarter 2012 compares with $2,679,163 for the fourth quarter 2011, reflecting reduced corporate expenditures and overhead during the fourth quarter 2012.

The Company's financial position at the end of the fourth quarter summarized in the table below:

	4th Quarter Ended November 30, 2012	**3rd Quarter Ended August 31, 2012**	**4nd Quarter Ended November 30, 2011**
	$	$	$
Cash and cash equivalents	2,009,398	7,605,837	58,229,399
Total assets	289,971,819	282,172,951	252,686,962
Total liabilities	52,317,678	48,311,708	13,492,066
Total net equity	237,654,141	233,861,243	239,194,896

Restructuring and Marret Plan

On December 18, 2012, the Company was unable to make the semi-annual payment of interest in the amount of US$2,500,000 that was due on December 17, 2012 ("the Interest Default") on its outstanding bonds pursuant to the trust indenture dated December 13, 2011 ("the Marret Debt"). The principal reason for Cline's present financial difficulties is the suspension of operations at Cline's New Elk metallurgical coal mine in Los Animas County, Colorado, as announced by Cline on July 11, 2012. Due to economic and recessionary pressures, demand for production from the mine, which was the only revenue generating mining asset of Cline, had dropped sufficiently to warrant a temporary suspension of production in order to manage costs. The suspension is still in effect pending improved market conditions.

On December 27, 2012 the Company entered into an agreement with Marret Asset Management Inc. ("Marret"), on behalf of certain funds advised by it, providing a restructuring of the Company and the Marret Debt ("the Restructuring"). Please refer to the Company's December 27, 2012 news release for a full description of the Restructuring. Subsequent to the Company's year-end the Company received interim funding from Marret as part of the Restructuring. After the payment of interest and fees the Company received $4.15 million, which is intended to sustain the Company's operations while the Restructuring is being executed. Should the Company not succeed in securing sufficient alternative financing or implementing certain enumerated alternative transactions as contemplated under the Restructuring or be unable to meet one of the milestones described thereunder, the Marret Plan (as defined below) will be implemented, which will culminate in a rights offering of $35 million and the conversion of $25 million of Marret Debt into common shares of the Company.

The Restructuring includes a recapitalization (the "Marret Plan") (as described in the Company's December 27, 2012 press release), unless, by April 30, 2013, Cline implements an alternative transaction (the "Cline Transaction") which results in any of (i) a takeover bid of, or other business combination with, Cline in which any person or group of persons acting in concert acquires 50% or more of the equity securities of Cline, (ii) the sale of all or substantially all of the assets or business of Cline and its subsidiaries, or (iii) a recapitalization of Cline, subject to certain conditions including that as a result of such recapitalization Cline receives at least $35,000,000 of gross cash proceeds from the issuance of equity securities or, as a result of such sale, Cline receives sufficient net proceeds to repay all amounts (including interest, premium, principal and other fees) owing on or under the Marret Debt.

The Marret Plan will be implemented on the earliest of (i) March 10, 2013, if by February 28, 2013 Cline has not received a letter of intent with respect to a Cline Transaction, (ii) April 10, 2013, if by March 31, 2013 Cline has not entered into a binding agreement with respect to a Cline Transaction, or (iii) May 10, 2013, if by April 30, 2013 Cline has not completed a Cline Transaction.

Non-Binding Letter of Intent

The Company announced today that it has entered into a non-binding letter of intent with respect to a potential Cline Transaction in the form of a recapitalization that would result in a minimum of $35,000,000 of gross cash proceeds to Cline. The implementation of the Cline Transaction is subject to, among other things, Cline entering into a definitive agreement (the "Definitive Agreement") and the obtaining of certain approvals from the Toronto Stock

Exchange. This letter of intent satisfies the first of three conditions that must be met for Cline to implement an alternative transaction to the Marret Plan.

Update on TSX Regulatory Matters

As announced by Cline on January 9, 2013, the Company has been placed under remedial delisting review by the Toronto Stock Exchange ("TSX") in connection with the Company's application for an exemption from the TSX shareholder approval requirement for the Marret Plan on the basis of financial hardship. The shareholder approval exemption has been granted by the TSX. In relation to the delisting review, the TSX has granted a 60 day extension thereby deferring its delisting decision until no later than April 30, 2013.

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.

Forward-Looking Statements

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, industry market trends and predictions, 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 regulatory matters and other risks set forth in other public filings of the Company. There can be no assurance the Company will be successful in negotiating and executing a definitive agreement with respect to a Cline Transaction or in completing a Cline Transaction. 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.

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