



## **CLINE MINING ENTERS INTO NON-BINDING LETTER OF INTENT**

**Toronto, Ontario, Canada February 28, 2013. Cline Mining Corporation (“Cline” or the “Company”) (TSX:CMK)** announced today that it has entered into a non-binding letter of intent (the "Non-binding LOI") with respect to a potential recapitalization that would result in a minimum of Cdn.\$35 million of gross cash proceeds to Cline (a “Cline Transaction”). 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. As announced on December 27, 2012, Cline previously entered into an agreement with Marret Asset Management Inc. (“Marret”), on behalf of certain funds advised by it, providing for a financial restructuring (the “Restructuring”) of the Company. Pursuant to the terms of the Restructuring, the entering into of the Non-binding LOI satisfies the first of three conditions that must be satisfied for Cline to implement an alternative transaction to the Restructuring. The Restructuring with Marret will not be implemented if Cline (a) completes a binding agreement with respect to the Cline Transaction by March 31, 2013, and (b) completes the Cline Transaction by 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 financing opportunities available to the Company, the Cline Transaction and the Restructuring. 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 the Cline Transaction or in completing the 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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