CLINE MINING ENTERS INTO AGREEMENT FOR EQUITY RECAPITALIZATION

Toronto, Ontario, Canada, April 1, 2013. Cline Mining Corporation (“Cline” or the “Company”) (TSX:CMK) announced today that it has entered into an agreement with Portpool Investments Ltd. ("Portpool") for an equity recapitalization of the Company (the “Cline Transaction”). The Cline Transaction, which is subject to the approval of the Toronto Stock Exchange (the “TSX”), was the subject of the non-binding letter of intent previously announced on February 28, 2013. The Cline Transaction is an alternative to the restructuring transaction (the “Marret Plan”) that was previously negotiated with Marret Asset Management Inc. (“Marret”), on behalf of certain funds advised by it, as first described in Cline’s press release of December 27, 2012. The agreement with Marret contemplated that the Marret Plan would not be carried out if Cline was able to obtain an alternative transaction meeting specified criteria, including the entering into of a binding agreement to implement the Cline Transaction by March 31, 2013 and the subsequent implementation of the Cline Transaction by April 30, 2013.

Portpool is a Singapore based private company whose primary shareholder is a business consortium with ties to end users in India.

The financial terms of the Cline Transaction are summarized as follows:

- Portpool will subscribe for 437.5 million common shares of Cline on a private placement basis at a price of $0.08 per share, for aggregate proceeds to Cline of $35,000,000.

- Portpool will provide $2.5 million of the aggregate subscription price to Cline as a non-refundable deposit by April 5, 2013 and the remainder of $32.5 million of the subscription price will be placed into escrow by April 19, 2013.

- Cline will issue warrants to Portpool to purchase up to an additional 125 million common shares, exercisable for two years at a price of $0.10 per share. The expiry date may be accelerated by Cline if the 20-day volume weighted average trading price of the common shares of Cline exceeds $0.40 at any time after four months following the issuance of the warrants.

- Concurrently with the transactions described above, Cline may carry out a potential best efforts brokered private placement of up to 125 million common shares at a price of $0.08 per share to raise an additional $10,000,000.

- If all of the common shares contemplated by the Cline Transaction and Framework Agreement (as described below) are issued, Portpool will own approximately 61.3% of the outstanding common shares of Cline on a fully diluted basis.

Concurrently with the entering into of the Cline Transaction, Cline, Portpool and Marret have entered into a framework agreement (the "Framework Agreement"). The Framework Agreement facilitates the completion of the Cline Transaction and contemplates amendments to the trust indenture dated December 13, 2011 (the "Trust Indenture") between Cline, Computershare Trust Company of Canada (the "Trustee") and Marret, as supplemented, and the forbearance agreement between Cline and the Trustee dated December 24, 2012. The Framework Agreement provides an option to extend payment for all amounts owing under the Trust Indenture for up to 150 days from closing, with a further option to Cline to extend payment to December 31, 2013 (the "Second Extension"). Upon the closing of the Cline Transaction, Cline shall issue a consent fee to Marret of 21.4 million shares and upon exercising the Second Extension, Cline shall issue a further extension fee to Marret of 14.3 million shares.

On closing of the Cline Transaction, Cline will pay all amounts of fees and expenses owing to Marret and the bondholders pursuant to letters and agreements between the parties dated December 24, 2012 and the Trust Indenture. If the Cline Transaction is terminated for any reason, Cline shall be entitled to draw down the remaining bonds under the Trust Indenture and Cline and Marret will thereafter proceed with the Marret Plan.

Upon completion, the Cline Transaction would be substantially less financially dilutive to the current common shareholders of Cline as compared to the Marret Plan, both in terms of the number of shares that would be issued and the issue price.

The Cline Transaction would ordinarily require shareholder approval under the requirements of the TSX because: (i) it would result in the issuance of common shares of the Company in excess of 25% of the number of currently outstanding common shares of the Company – the number of common shares issuable under the Cline Transaction, including common shares issuable on exercise of the warrants, would be 708.9 million (including the exercise of the First Extension), representing approximately 339% of the number of currently outstanding common shares of the Company; (ii) the issue price under the Cline Transaction, including the exercise price for the warrants, would be lower than the market price of the common shares of Cline as of the date of the agreement with Portpool; and (iii) the Cline Transaction would materially affect control of Cline – if all of the shares contemplated by the Cline Transaction, including common shares issuable on exercise of warrants, and the Framework Agreement are issued, Portpool will own approximately 61.3% of the outstanding common shares of the Company.

The Company has applied for an exemption from the shareholder approval requirement on the basis of financial hardship, given the immediacy of Cline's need to address its financial difficulties. Cline previously received an exemption on this basis with respect to the Marret Plan.

The proceeds from the Cline Transaction will be used to fulfill Cline's obligations under the Trust Indenture for the Company's outstanding bonds and are expected to provide the Company the necessary funding to resume operations at its New Elk coal project located in Colorado once sales contracts are put in place.

GMP Securities L.P. has acted as financial advisor and Bennett Jones LLP has acted as legal advisor to the Board of Directors of Cline.

The Cline Transaction is expected to be completed, subject to satisfaction of its conditions, on or before April 30, 2013.

About Cline

Cline has metallurgical coal property interests in British Columbia and in Colorado, U.S.A. including the 100% interest in the New Elk coking coal mine. Cline 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 guarantee the Company will complete the Cline Transaction or the Marret Plan. 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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