



JUNE 3, 2013

CLINE ANNOUNCES RIGHTS OFFERING WILL NOT PROCEED

TORONTO, ONTARIO (June 3, 2013). Cline Mining Corporation (“Cline” or the “Company”) (TSX:CMK) announced today that the rights offering contemplated pursuant to the recapitalization agreement (the “Recapitalization Agreement”) with Marret Asset Management Inc., as agent for the bondholders and standby purchasers party thereto (“Marret”), will not be proceeding.

The Company’s Executive Chairman, Mr. Mark Haywood stated “*Cline is focused on reducing its operating costs and maintaining the New Elk mine in statutory compliance whilst it discusses an alternative recapitalization proposal with Marret.*”

Pursuant to the Recapitalization Agreement, the Company filed a preliminary short form prospectus dated April 25, 2013 (the “Preliminary Prospectus”) with respect to the rights offering and issuance of warrants to its shareholders, as described in greater detail in the Preliminary Prospectus. The Company will be withdrawing the Preliminary Prospectus.

Both the Recapitalization Agreement and the Preliminary Prospectus are available on the Company's reference page at the System for Electronic Document Access and Retrieval (www.sedar.com).

About Cline

Cline is a Canadian mining company focused on the development of its 100% owned New Elk coking coal mine located in Colorado, U.S.A. The Company also has interests in metallurgical steel making coals in Canada, an iron ore project in Madagascar, and the Cline Lake gold property in northern Ontario, Canada. With a head office in Toronto and site offices at the mine, Cline is led by a management and operations team with over 100 years of exploration and mining experience.

For further details on Cline, please refer to Cline's web site (www.clinemining.com) and Cline's Canadian regulatory filings on SEDAR at www.sedar.com

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