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*Amex:MMG*

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## President's Letter to Metalline Mining Company Shareholders

Coeur d'Alene, Idaho. On March 6, 2007, Metalline (Amex:MMG) completed a private offering of 2,413,571 shares of the Company's common stock, \$0.01 par value per share, and warrants to purchase 1,206,785 shares of common stock, exercisable at \$2.42 per share and expiring on March 6, 2011. The Purchased Securities were purchased at a price of \$4.70 per Unit, which consists of two shares of common stock and one warrant, for aggregate gross proceeds of \$5,671,892.60 pursuant to the Common Stock and Warrant Purchase Agreement with the purchasers. There were no commissions paid in connection with the Offering. The Purchased Securities were sold to accredited investors pursuant to Section 4(2) and Regulation D under the Securities Act of 1933.

The proceeds of the offering are expected to be used for general corporate purposes, including working capital and to initiate an aggressive exploration program on the polymetallic (copper, silver, zinc, lead) mineral system at the Sierra Mojada project located in Coahuila, Mexico.

A revised resource model has been completed by Reserva International, and has gone through an external technical review. After a report on the work is complete, this work will be ready for review by SRK, the technical auditors for the feasibility study.

A scoping study on mining methods has been performed by Pincock, Allen and Holt of Lakewood, Colorado. The result of the study is that either underground or open pit mining of the rocks is feasible. The choice between the methods will be made on the basis of geotechnical studies. The purpose of these studies is to determine how well the rocks in the area will stand under the stresses expected during mining.

Agapito Associates, Inc. of Golden, Colorado has been contracted to perform the required geotechnical work. The necessary equipment for geotechnical drilling has been acquired and the geotechnical drilling is scheduled to begin on 23 April. Additional geotechnical data will be acquired by laboratory and in situ measurements of rock strength, and through on site mapping and sampling as well as from analysis of geologic mapping and drilling already completed by Metalline on the Iron Oxide Manto mineralized material.

Mr. Ken Hart has been contracted to synthesize the geologic data, acquired by Metalline on the Iron Oxide Manto, to compile the geological report that is a requisite for a

bankable feasibility study and to provide the geologic framework to constrain the resource model and to support the mine plan.

Ken was the Project Geologist for Reunion Ltd during the evaluation drilling and the feasibility study of the Skorpion deposit. He continued in this role as a contractor for Anglo American after they reacquired the property. Skorpion is operated by Skorpion Zinc, an Anglo Base Metals company, and produces about 150,000 tonnes of SHG zinc annually at an operating cost of about \$660 per tonne, \$0.30 per pound. Zinc is currently \$3600 per tonne; Skorpion has to be one of the most profitable mines in the world and is the low cost producer of SHG zinc.

Water development continues with completion, casing the hole and installing a pump, and pump testing of the water well holes drilled to date. Results of these tests will be released soon, as the pump testing is nearing completion.

Other continuing Feasibility Study activities ongoing are: Metallurgical studies on potential by-product metals (silver, germanium, indium, etc.), refinery site location investigation and environmental studies continue.

Polymetallic mineralization (silver, copper, zinc, lead) north of the Sierra Mojada fault occurs over an area of 6 km east-west and 1 km north-south. This mineralization occurs on the dumps of over 45 shafts that all produced high grade direct shipping silver ore and in the host rocks surrounding the high grade underground stopes in these mines.

A drill program to explore the polymetallic mineralization, north of the Sierra Mojada fault is being implemented. The program will involve additional underground diamond drills, a larger diamond drill dedicated to surface drilling and a reverse circulation rotary drill dedicated to drilling and casing the alluvial material preparatory to the surface diamond drilling. If open pit mining of the zinc oxide mantos is selected, this program will also evaluate material that would be extracted during stripping of the underlying zinc oxides.

Sincerely  
Merlin Bingham  
President

#### *Forward-Looking Statements*

This news release contains forward-looking statements regarding future events and Metalline's future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts, and projections about the industry in which Metalline operates and the beliefs and assumptions of Metalline's management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," "will," variations of such words, and similar expressions are intended to identify such forward-looking statements.