

**Charter for the
Compensation Committee
of the
Board of Directors of Metalline Mining Company**

Approved by the Board of Directors on
May 1, 2006 and amended on December 5, 2006

The Compensation Committee of the Board of Directors of Metalline Mining Company (“Metalline”) shall consist of directors who:

- qualify as “independent” under the American Stock Exchange Section 121A;
- are free from any interlocking relationships of the sort that must be disclosed pursuant to Item 407(e)(4) of Regulation S-K; and
- are free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment.

Members of the committee shall be appointed by, and may be removed by, the board of directors. A quorum for meetings of the compensation committee will consist of at least one-half of the members of the compensation committee. The committee may designate its own chair and establish procedural rules as it determines to be appropriate.

The purpose of the committee shall be to carry out the board of directors’ overall responsibility relating to executive compensation. In furtherance of this purpose, the committee shall have the following authority and responsibilities:

1. To determine, review and approve on an annual basis the corporate goals and objectives with respect to compensation for the president, the vice-president, and the chief financial officer (the “senior executives”).
2. The committee shall evaluate at least once a year the performance of the senior executives in light of the established goals and objectives and, based upon these evaluations, shall determine the annual compensation for each of the senior executives, including salary, bonus, incentive and equity compensation.
3. The committee shall determine the need for and the appropriateness of employment agreements for each of the senior executives.
4. The committee shall review and provide oversight for the evaluation process and compensation structure for Metalline’s other officers.
5. The committee shall review the fees paid to independent directors for service on the board of directors and its committees, and make recommendations to the board with respect thereto.
6. The committee shall review Metalline’s incentive compensation and other stock-based plans and recommend changes in such plans to the board as needed.

7. The committee may recommend to the board options and other equity-based compensation to be issued to senior executives.
8. The committee will prepare and publish an annual executive compensation report in Metalline's proxy statement as required by Item 407(e)(5) of SEC Regulation S-K, when such regulation becomes applicable.
9. The committee will review and reassess the adequacy of this charter as the committee determines appropriate.
10. The committee will review and assess its performance on at least an annual basis.

The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate in its sole discretion. The committee may invite the senior executives and other members of management of Metalline to participate in their deliberations, or to provide information to the committee for its consideration with respect to such deliberations, except that:

- The president may not be present for the deliberation of or the voting on compensation for the president; and
- The president may be present for the deliberation of or the voting on compensation for any other officer.

The committee shall have authority to retain such compensation consultants, outside counsel and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

The committee is an arm of and responsible to the board of directors of Metalline, to which it directly reports. The committee is responsible for periodically updating the board of directors about committee activities.