

<DOCUMENT>
<TYPE>10KSB
<SEQUENCE>1
<FILENAME>r10ksbmm2.txt
<TEXT>
<page>

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2002
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 000-27667

METALLINE MINING COMPANY
(Exact name of registrant as specified in its charter)

Nevada 91-1766677
(State or other jurisdiction (IRS Employer Identification No.)
of incorporation)

1330 E. Margaret Ave.
Coeur d'Alene, ID 83815
(Address of principal executive offices)

Registrant's telephone number, including area code: (208) 665-2002

Securities registered pursuant to Section 12 (b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock	The OTC-Bulletin Board
Title of each class	Name of each exchange on which registered

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period as the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to
the best of registrant's knowledge, in definitive proxy or other information

statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. []

The aggregate market value of the voting stock held by non-affiliates of the registrant at January 11, 2003 was \$5,659,619. The number of shares of common stock outstanding at such date was 10,368,340 shares. An additional 2,055,722 were deemed outstanding at such date pursuant to presently exercisable options and warrants.

</page>

<page>

METALLINE MINING COMPANY ANNUAL REPORT
ON FORM 10-KSB FOR THE FISCAL YEAR
ENDED OCTOBER 31, 2002

TABLE OF CONTENTS	Page
SAFE HARBOR STATEMENT	(ii)
PART I	
Item 1: Description of Business	1
Item 2: Risk Factors	5
Item 3: Description of Properties	7
Item 4: Legal Proceedings	8
Item 5: Indemnification of Directors and Officers	8
Item 6: Submission of Matters to a Vote of Security Holders	8
PART II	
Item 7: Market for Registrant's Common Equity and Related Stockholder Matters	8
Item 8: Recent Sale of Unregistered Securities	9
Item 9: Selected Financial Data	11
Item 10: Description of Securities	11
Item 11: Management's Discussion and Analysis of Financial Condition and Plan of Operations	12
Item 12: Financial Statements and Supplementary Data	13
Item 13: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	14
PART III	
Item 14: Directors and Executive Officers of the Registrant	14
Item 15: Executive Compensation	17

Item 16: Security Ownership of Certain Beneficial Owners and Management 18

Item 17: Certain Relationships and Related Transactions 19

PART IV

Item 18: Exhibits, Financial Statement Schedules, and Reports on Form 8-K 20

Index to Financials 21

SignaturesF/S - 20
(i)

</Page>

<page>

METALLINE MINING COMPANY ANNUAL REPORT
ON FORM 10-KSB FOR THE FISCAL YEAR
ENDED OCTOBER 31, 2002

SAFE HARBOR STATEMENT

This report contains both historical and prospective statements concerning the Company and its operations. Historical statements are based on events that have already happened; examples include the reported financial and operating results, descriptions of pending and completed transactions, and management and compensation matters. Prospective statements, on the other hand, are based on events that are reasonably expected to happen in the future; examples include the timing of projected operations, the likely effect or resolution of known contingencies or other foreseeable events, and projected operating results.

Prospective statements (which are known as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995) may or may not prove true with the passage of time because of future risks and uncertainties. The Company cannot predict what factors might cause actual results to differ materially from those indicated by prospective statements. The risks and uncertainties associated with prospective statements contained in this report include, among others, the following:

[The balance of this page has been intentionally left blank.]

(ii)

</page>

<page>

METALLINE MINING COMPANY ANNUAL REPORT
ON FORM 10-KSB FOR THE FISCAL YEAR

ENDED OCTOBER 31, 2002

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

Background

Metalline Mining Company is an exploration stage enterprise formed under the laws of the State of Nevada, on August 20, 1993, to engage in the business of mining.

Current Operations

Metalline currently owns one mining property located in Mexico known as the Sierra Mojada Property. Metalline conducts its operations in Mexico through its wholly owned subsidiary corporation, Minera Metalin S.A. de C.V.

The Sierra Mojada Property

The Mexican government owns the mineral rights. The exclusive right to explore and exploit the mineral rights is granted by issuance of a concession to a company or individual that denounces the area desired for exploration or exploitation. After the concession has been issued an annual fee is paid to the government and annual Proof of Labor must be filed to maintain the title to the concession. The annual fee is determined on the basis of the area of the concession and the type of activity on the concession. The concession can be held for 6 years under the exploration fee, after 6 years the exploitation fee is paid.

The Sierra Mojada Property is comprised of eight concessions totaling 7,060 hectares (17,446 acres). The concessions were acquired by purchase agreements from the titled owners. The Company controls 100% of the concessions and has made all payments necessary to acquire title to all eight concessions.

A summary of the concessions is as follows:

<table>

<caption>

Concession	Title No.	Hectares
-----	-----	-----
<s>	<c>	<c>
Sierra Mojada	198513	4767.3154
Mojada 3	199246	1689.2173
Esmeralda	188765	117.5025
Esmeralda 1	187776	97.6839
Unification Mineros Nortenos	169343	336.7905
La Blanca	188326	33.5044
Fortuna	160461	13.9582
Vulcano	83507	4.4904

Total	7060.4626
	=====

</table>

Location and Access

The Sierra Mojada Mining District is located in the west central part of the state of Coahuila, Mexico, near the Coahuila-Chihuahua state border some 200 kilometers south of the Big Bend of the Rio Grande River. The principal mining area extends for some 5 kilometers in an east-west direction along the base of the precipitous, 1,000 meter high, Sierra Mojada Range.

Vehicle access from Torreon is by 250 kilometers of paved road to Sierra Mojada. There is a well maintained, 1200 meter, gravel airstrip. The District has high voltage electric power and a railroad. The railroad from Escalon to the district was completed in 1891 and later connected to Monclova.

Page 1

Location and Access (continued)

This part of Mexico is remote, arid, and sparsely populated; the region is known as the "zone of silence".

History

The initial discovery of silver ore in the Sierra Mojada Property was made in 1879. Over the next 12 years numerous small mines developed along an oxidized silver lead ore body known as the "lead manto" ("manto" is a bed, layer or strata). The lead manto was mined continuously for 3 kilometers and discontinuously for another 2 kilometers. Ore was selectively mined and hauled by wagon to Escalon on the railroad main line from El Paso to Mexico City; from there it went to smelters in Mexico and the United States.

In September of 1891, the Mexican Northern Railroad completed its spur line from Escalon to the district. Rail access stimulated development and the period from 1891 to the late 1920's was the peak of productivity of the district. The main lead manto was nearly mined out by 1905, the same year that the discovery of the first silver-copper ore body was made. Additional discoveries of silver, silver-copper, and silver-copper-zinc-lead ores provided production through the 1930's. Between 1922 and 1931 additional lead manto silver-lead ore was discovered and mined to the southwest for some 1,400 meters under the Sierra Mojada range, this manto was eventually mined for more than 2 kilometers.

By the mid 1920's, many of the mines were under control of Penoles Corporation ("Penoles") and ASARCO Incorporated ("ASARCO"). ASARCO ceased mining in the district in the late 1930's. Both companies still owned properties during the 1940's and Penoles mined until the late 1950's when the Mineros Nortenos Cooperative acquired the Penoles properties. The Mineros Nortenos Cooperative ("Mineros Nortenos") has operated the San Salvador, Encantada and Fronteriza

mines since 1957 and direct shipped high-grade oxide zinc, silver-copper, and silver-lead ore to smelters in Mexico.

The lead manto produced 3 to 3.5 million tonnes with another 1.5 million tonnes of similar ore coming from other ore bodies to the west and to the southwest.

Mineros Nortenos has mined about 600,000 tonnes of predominantly oxide zinc ore with grades of 20 to 50% zinc. Some of this ore was oxide silver-lead, silver-copper, and silver-zinc-lead sulfide at grades of 1 to 4 kilogram silver per tonne, 1 to 5% copper, 10 to 30% zinc, and 30 to 70% lead. Production records from 1978 to 1981 for the San Salvador mine average 33.5% zinc.

The Sierra Mojada Property has produced in excess of 10 million tonnes of high-grade ore that graded in excess of 20% lead, 20% zinc, 1% copper and 1 kg (31 ounces) silver per tonne that was shipped directly to the smelter. The district has never had a mill to concentrate ore. All of the mining was done selectively for ore of sufficient grade to direct ship; mill grade ore was left unmined. More than 50 kilometers of underground workings are spread through the 5-kilometer by 2-kilometer area from which more than 45 mines have produced ore. The deepest workings have ore grade mineralization and provide some of the best targets for reserve development. In spite of the amount of historic work, when a map of all of the historic workings is viewed there is much more unexplored area in the 5 by 2 kilometer area than has been explored and the vertical extent greater than 100 meters is totally unexplored.

The sediments are predominantly carbonate with some sandstone and shale and the attitudes are near horizontal. The mines are dry and the rocks are competent, there is very little unstable ground and the ore thickness is amenable to high volume mechanized mining methods. Sierra Mojada has ideal mining conditions and grades for low cost production.

Based upon the foregoing, Metalline is of the opinion that the magnitude of the Sierra Mojada mineral system and its exploration potential is capable of providing new reserves for many more years of mining. However, there is no assurance as to the quantity or quality of the undeveloped reserves.

Page 2

Geology

The Sierra Mojada District is located on the southern margin of the Sabinas Basin, a large rift basin in northeastern Mexico, which formed during Late Jurassic and Early Cretaceous.

Beginning in Latest Jurassic, the Sabinas basin began to form with the basin being dropped down to the north relative to the Coahuila Peninsula that was being uplifted to the south. The Sierra Mojada fault is, possibly, one of the faults that contributed to the rift basin forming process, which occurred over a time span in excess of

80 million years. During basin formation the Sierra Mojada fault, if present, would have been a normal fault due to crustal extension. The most recent motion on the Sierra Mojada fault is post mineral and reverse.

Stratigraphy

Upper Jurassic and Lower Cretaceous marine carbonate, sandstone and shale, the La Casita and Menchaca Formations, are overlain by Lower Cretaceous red beds, the San Marcos Formation, composed of conglomerate, sandstone, siltstone, shale, tuff and mineralized carbonate sediments. The San Marcos is overlain by a marine carbonate sequence of Early and Middle Cretaceous age, the Cupido, La Pena, Aurora, and Georgetown Formations.

Mineralization

Sierra Mojada has two mineral systems separated by the east west trending Sierra Mojada Fault. North of the fault the mineralization is chemical sedimentary disseminated to massive silver, copper, zinc and lead sulfide deposited in the Menchaca Formation. South of the fault, the mineralization is deposited in the La Pena and Aurora Formations and consists of oxide zinc and lead mantos.

These two mineral systems have been brought into proximity to each other by post mineral reverse motion on the Sierra Mojada Fault that faults the San Marcos and Menchaca Formations against Aurora. The San Marcos and Menchaca Formations are 25 million years older than the Aurora Formation.

The mineral systems have been mined in an east-west direction for over 5 kilometers, in a north-south direction in excess of 2 kilometers and for a vertical extent of 100 meters.

The Sierra Mojada mineral systems are chemical sedimentary and brine related. The ore minerals are in chemical equilibrium with the limestone, dolomite, carbonate shale, and sandstone host rocks. There is no alteration, silicification or skarn mineralization.

Mineralization has been episodically deposited in certain beds, resulting in a vertical repetition of mineralized beds and ore bodies in the Menchaca Formation and in the Aurora Formation. This Intermittent or episodic deposition of mineralization has occurred over at least 25 million years and it is possible that this process was ongoing during deposition of the other units above the basement rocks. The thickness and character of the rock units below the existing workings is unknown and will have to be determined by drilling. With the evidence of the repetitive nature of the mineralization the potential for additional discovery at depth is high.

Exploration and Development.

The Company has spent the last 7 years collecting historic data on the district, geologic mapping and sampling of the surface and the underground mines and has completed a reverse circulation drilling program consisting of 24 holes and a total of 6630 meters of drilling. During 2000, North Limited drilled 26 reverse circulation holes totaling 6,618 meters.

The drilling and channel sampling are the first step in developing ore reserves at Sierra Mojada. Metalline's drilling consisted of fifteen holes drilled on a grid of about 30 meters by 60 meters on the polymetallic manto, north of the Sierra Mojada fault, to evaluate the silver, copper, zinc, and lead mineralization. Nine holes were drilled in the San Salvador, Encantada and Fronteriza mines to test the oxide zinc mineral system south of the Sierra Mojada fault. These holes were spaced at about 100 to 200 meter intervals over a 1500-meter extent in the three mines.

Page 3

North Limited's holes were drilled to test the oxide zinc mineralization in the San Salvador, Encantada and Fronteriza mines. Three step out holes extent the mineralization 2 kilometers to the west of the San Salvador mine. Three step-out holes to the south did not encounter mineralization.

Metalline signed an agreement with Minas Penoles in November 2001, which allows Penoles to earn a 60% interest in Sierra Mojada by completing a bankable feasibility study within 5 years. Upon completion of the feasibility study, a Joint Venture Company will be formed to develop and mine the property that will be owned 60% by Penoles and 40% by Metalline (Metalline news release dated December 10, 2001). Penoles has continued reserve development by drilling, sampling, and driving raises in the ore horizon and have spent in excess of the required \$1,000,000 for the 2001-2002 program. Penoles has elected to continue the program for 2002-2003 and has budgeted \$2,000,000 for the program and has purchased 100,000 shares of Metalline stock (Metalline news release dated December 2, 2002).

The results confirm and expand the mineralization of the polymetallic and the oxide zinc mantos. Multiple intersections of ore grade mineralization over thick intervals were obtained, with some intersects of exceptional grade and thickness. The results have been released in news releases dating from February 1999 through December 2002 and are available on Metalline's Web Site: WWW.METALIN.COM and from Metalline.

Exploration and evaluation of the mineral systems of the district and of Metalline's total land position to define the limits of the known mineralization and for discovery of new mineralization will continue and accelerate.

Defining a mineable reserve in the oxide zinc systems, the Red Zinc and White Zinc Mantos, in the San Salvador, Encantada, and Fronteriza mines is the first priority due to the 30% cost of production advantage of the Solvent Extraction Electrowinning (SXEW)

process for oxide zinc ore over the smelting process for zinc sulfide ore. Presently, almost all zinc is produced from sulfide ore by the smelting process. Reserve development will involve surface and underground drilling and channel sampling, drifting, and raising in sufficient detail to determine the tonnage and grade of an ore reserve. A feasibility study, including metallurgical studies, will then be completed to determine if the reserve is commercially viable.

Penoles Agreement

On the 15th of November 2001, Metalline Mining Company and its Mexican Subsidiary Minera Metalin, S.A. de C.V. signed an Agreement with Minas Penoles, S.A. de C.V. and Compania Minera L Parrena, S.A. de C.V. The Agreement allows Minas Penoles to earn a 60% interest in the Sierra Mojada project by exploring and completing a feasibility study over an "Earn in Period" of not more than 5 years. The study is to be of sufficient detail and quality to be used to secure debt financing for the development operation of the project. Minas Penoles is committed to complete US\$1,000,000 (one million US Dollars) of Qualified Expenditures on the Property as may be recommended by the Technical Committee during the first year as of the date of signing the Agreement. Minas Penoles is to be the Operator; operations are under the control of the Technical Committee that will be composed of 2 representatives from Metalline and 3 from Minas Penoles. In addition, Minas Penoles will purchase Metalline Mining Company shares at a fixed price of US \$2.00 per share in the following schedule and manner:

(i).- 50,000 shares upon signing the Agreement, purchased by Minas Penoles, S.A. de C.V. by means of a capital contribution to Metalline. Subsequently, and always following this same mechanism (i.e.- capital contribution to Metalline), if Penoles should elect to continue exploration after twelve months time as of the Effective Date, then (ii).- Minas Penoles, S.A. de C.V. shall purchase 100,000 additional Metalline shares at US \$2.00 per share; (iii).- if Penoles should continue exploration after twenty-four months, Minas Penoles, S.A. de C.V. shall purchase an additional 100,000 Metalline shares at US \$2.00 per share.

It is the parties' intent and understanding that, in order to carry out to completion the Project once the Earn-In has been achieved or at whatever other time the Parties shall agree to in writing, the parties shall form a joint venture vehicle (the "Joint Venture Company") subject to the terms of the Agreement. The terms and conditions of the Joint Venture will be established in separate document(s) as the parties may deem necessary, in which Joint Venture, Minas Penoles, S.A. de C.V. shall have a 60% participation, and Metalin a 40% participation, subject to the terms of the Agreement.

Page 4

Timetable

Reserve definition and a feasibility study will require about two years. Development of the mine and construction of the SXEW plant will require about an additional two years.

There is potential for long-term reserve expansion within the known extent of the mineral systems. There is potential to discover ore deposits in unexplored portions of the land position and at depth in unexplored stratigraphy. There is however, no assurance that the Company will have the monetary resources to continue to explore for, develop, or retrieve any of the minerals located in the Sierra Mojada Property.

Additional Events

The agreement between Metalline Mining Company and the B.O.W. Corporation of El Paso, Texas for an exclusive lease on 41 patented and 81 unpatented mining claims in the Silver Hills District at Orogrande, New Mexico has been terminated (Metalline news release dated October 7, 2002).

Dr. Roger Kolvoord was appointed to the Board of Directors of Metalline Mining Company on August 6, 2002 (Metalline news release dated September 9, 2002). Dr. Kolvoord brings a wealth of knowledge and experience in Geology, Geophysics, Mining, Computer Technology, Remote Sensing, and Geospatial Information Applications, and an extensive background in Business Management and Business Development to the Metalline Board.

ITEM 2. RISK FACTORS

1. EXPLORATION STAGE MINING COMPANY WITH NO HISTORY OF OPERATION.

The Company is in its exploration stage, has no operating history, and is subject to all the risks inherent in a new business enterprise. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate. See "Business".

2. NO COMMERCIALY MINEABLE ORE BODY. No commercially mineable ore body has been delineated on the properties, nor have any reserves been identified. See "Business".

3. RISKS INHERENT IN THE MINING INDUSTRY. The Company is subject to all of the risks inherent in the mining industry including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Company, in the acquisition, exploration, and development of mining properties; the concession holder must pay fees and perform labor on the concessions to maintain the concessions title; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization, and most exploration projects do not result in

the discovery of commercially mineable deposits of ore; operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls; a large number of factors beyond the control of the Company, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining; mining activities are subject to substantial operating hazards some of which are not insurable or may not be insured due to economic considerations; and, the availability of water, which is essential to milling operations.

4. NATURE OF THE INDUSTRY. Exploration, development, and mining of mineral properties is highly speculative and involves unique and greater risks than are generally associated with other businesses. The Company's operations will be subject to all the operating hazards and risks normally incident to the exploration, development, and mining of mineral properties, including risks enumerated above and below.

5. FLUCTUATING PRICE FOR METALS. The Company's operations will be greatly influenced by the prices of silver, copper, lead, zinc, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including expectations for inflation, the strength of the United States dollar, global and regional demand and political and economic conditions and production costs in major metal producing regions of the world.

Page 5

6. MINING CONCESSIONS. The Company holds mining concessions in Mexico. Concessions require work and financial expenditures to retain their validity. See "Business".

7. ENVIRONMENTAL CONTROLS. Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Company, or may cause material changes in the Company's intended activities. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Company.

8. GOVERNMENTAL REGULATION AND ENVIRONMENTAL CONTROLS. The Company's activities are subject to extensive Mexican laws and regulations controlling not only the exploration for and development of mineral properties, but also the possible effect of such activities upon the environment. In its mining operations, the Company will use certain equipment, which will subject the Company to Mexican safety and health regulations. While the Company intends to act in compliance with all such regulations, any adverse ruling under any regulations, any imposition of a fine, or any imposition of more stringent regulations could require the Company to make

additional capital expenditures that could impair its operations.

9. Availability of water shortages of supplies and materials.

Water is essential in all phases of the exploration and development of mineral properties. It is used in such processes as exploration, drilling, leaching, placer mining, dredging, testing, and hydraulic mining. Any water that may be found will be subject to acquisition pursuant to appropriate governing laws. The Company has definitely not determined the availability of water at Sierra Mojada, except to note that adequate water supplies are generally developed by drilling, but has not determined the cost of acquisition. Both the lack of available water and the cost of acquisition may make an otherwise viable project economically impossible to complete. The mineral industry has experienced from time to time shortages of certain supplies and materials necessary in the exploration for and evaluation of mineral deposits. The prices at which such supplies and materials are available have also greatly increased. There is a possibility that planned operations may be subject to delays due to such shortages and that further price escalations will increase the costs of the Company.

10. UNINSURED RISKS. The Company may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons.

11. NEED FOR SUBSEQUENT FUNDING. The Company has an immediate need for additional funds in order to finance its proposed business operations. The Company's continued operations therefore will depend upon the availability of cash flow, if any, from its operations or its ability to raise additional funds through bank borrowings or equity or debt financing. There is no assurance that the Company will be able to obtain additional funding when needed, or that such funding, if available, can be obtained on terms acceptable to the Company. If the Company cannot obtain needed funds, it may be forced to curtail or cease its activities.

12. NEED FOR ADDITIONAL KEY PERSONNEL. At the present, the Company employs three full-time and one part-time employee. The success of the Company's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Company believes that it will be able to attract competent employees, but no assurance can be given that the Company will be successful in this regard. If the Company is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

13. RELIANCE UPON DIRECTORS AND OFFICERS. The Company is wholly dependent, at the present, upon the personal efforts and abilities of its Officers and Directors who will exercise control over the day-to-day affairs of the Company. While the Company may solicit business through its Officers, there can be no assurance as to the volume of business, if any, which the Company may succeed in

obtaining, nor that its proposed operations will prove to be profitable. As of the date hereof, the Company does not have any commitments regarding its proposed operations and there can be no assurance that any commitments will be forthcoming. See "Business" and "Management".

Page 6

14. NON-ARMS' LENGTH TRANSACTION. The number of shares of Common Stock issued to present shareholders of the Company for cash was arbitrarily determined and may not be considered the product of arm's length transactions. See "Principal Shareholders".

15. INDEMNIFICATION OF OFFICERS AND DIRECTORS FOR SECURITIES LIABILITIES. The Bylaws of the Company provide that the Company may indemnify any Director, Officer, agent, and/or employee as to those liabilities and on those terms and conditions as are specified in the Nevada Business Corporation Act. Further, the Company may purchase and maintain insurance on behalf of any such persons whether or not the corporation would have the power to indemnify such person against the liability insured against. The foregoing could result in substantial expenditures by the Company and prevent any recovery from such Officers, Directors, agents, and employees for losses incurred by the Company as a result of their actions. Further, the Company has been advised that in the opinion of the Securities and Exchange Commission, indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable.

16. COMPETITION. The Company believes that it will have competitors and potential competitors, many of whom may have considerably greater financial and other resources than the Company.

17. PUBLIC MARKET FOR SECURITIES. At present, the Company's common stock is traded under the symbol MMGG on the OTC Bulletin Board operated by the National Association of Securities Dealers, Inc. This market is a thinly traded market and lacks the liquidity of other public markets with which some investors may have more experience.

18. CUMULATIVE VOTING, PREEMPTIVE RIGHTS AND CONTROL. There are no preemptive rights in connection with the Company's Common Stock. The shareholders purchasing in this offering may be further diluted in their percentage ownership of the Company in the event additional shares are issued by the Company in the future. Cumulative voting in the election of Directors is not provided for. Accordingly, the holders of a majority of the shares of Common Stock, present in person or by proxy, will be able to elect all of the Company's Board of Directors. See "Description of the Securities".

19. NO DIVIDENDS ANTICIPATED. At the present time the Company does not anticipate paying dividends, cash or otherwise, on its Common Stock in the foreseeable future. Future dividends will depend on earnings, if any, of the Company, its financial requirements and other factors. Investors who anticipate the need of an immediate

income from their investment in the Company's Common Stock should refrain from the purchase of the securities being offered hereby. See "Dividend Policy".

ITEM 3. DESCRIPTION OF PROPERTIES.

The Company owns the following eight mining concessions, including the buildings and equipment located thereon:

Concession	Title No.	Hectares
-----	-----	-----
<s>	<c>	<c>
Sierra Mojada	198513	4767.3154
Mojada 3	199246	1689.2173
Esmeralda	188765	117.5025
Esmeralda 1	187776	97.6839
Unification Mineros Nortenos	169343	336.7905
La Blanca	188326	33.5044
Fortuna	160461	13.9582
Vulcano	83507	4.4904

Total		7060.4626
		=====

</table>

The Company's corporate offices are located at 1330 East Margaret Avenue, Coeur d'Alene, Idaho 83815, and its telephone number is (208) 665-2002 and FAX is (208) 665-0041. Minera Metalin has its operations, consisting of mining equipment, offices, residences, shops, and warehouse buildings, located at Calle Mina #1, La Esmeralda, Coahuila, Mexico and its telephone and FAX number is 52 871 775 2100.

Page 7

ITEM 4. LEGAL PROCEEDINGS.

Minera Metalin, the Company's Mexican subsidiary, has been named as a co-defendant in a lawsuit filed in Mexico regarding the Company's purchase of two mining concessions. Any potential liability resulting from the lawsuit would be directed against the other named defendant, and according to the Company's legal counsel, the chance of an adverse judgment for Metalin is negligible.

ITEM 5. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The laws of the state of Nevada under certain circumstances provide for indemnification of the Company's Officers, Directors and controlling persons against liabilities, which they may incur in such capacities. A summary of the circumstances in which such indemnification is provided for is contained herein, but this description is qualified in its entirety by reference to the Company's Articles of Incorporation and to the statutory provisions.

In general, any Officer, Director, employee or agent may be

indemnified against expenses, fines, settlements or judgments arising in connection with a legal proceeding to which such person is a party, if that person's actions were in good faith, were believed to be in the Company's best interest, and were not unlawful. Unless such person is successful upon the merits in such an action, indemnification may be awarded only after a determination by independent decision of the Board of Directors, by legal counsel, or by a vote of the shareholders, that the applicable standard of conduct was met by the person to be indemnified.

The circumstances under which indemnification is granted in connection with an action brought on behalf of the Company is generally the same as those set forth above; however, with respect to such actions, indemnification is granted only with respect to expenses actually incurred in connection with the defense or settlement of the action. In such actions, the person to be indemnified must have acted in good faith and in a manner believed to have been in the Company's best interest, and have not been adjudged liable for negligence or misconduct.

The Company's Articles of Incorporation and Bylaws do not contain any provisions for indemnification as described above.

ITEM 6. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The annual meeting of the shareholders of Metalline Mining Company was held on March 1, 2001. The following items were presented for a vote of the shareholders, all of which were approved:

1. Election of three directors.
2. Authorization of a Qualified Stock Option Plan.
3. Amendment of the Company's Articles of Incorporation to authorize one million shares of Preferred Stock, \$0.01 par value per share.
4. Ratification of the appointment of Williams & Webster, Certified Public Accountants, to audit the financial statements of the Company.

PART II

ITEM 7. MARKET PRICE FOR COMMON EQUITY AND OTHER SHAREHOLDER MATTERS.

The Company's shares are traded on the Bulletin Board operated by the National Association of Securities Dealers, Inc. (the "Bulletin Board") under the trading symbol "MMGG". The Company's shares began trading November 19, 1996. Summary trading by quarter for 2002, 2001, and 2000 are as follows:

Fiscal Quarter	High Bid<F1>	Low Bid<F1>
<s>	<c>	<c>

2002

Fourth Quarter	1.60	0.90
Third Quarter	2.10	1.15
Second Quarter	1.94	0.75
First Quarter	2.75	0.80

Page 8

Fiscal Quarter	High Bid<F1>	Low Bid<F1>
----------------	--------------	-------------

2001

Fourth Quarter	2.34	1.20
Third Quarter	2.50	1.63
Second Quarter	2.75	1.63
First Quarter	2.75	2.00

2000

Fourth Quarter	4.25	1.75
Third Quarter	4.38	3.25
Second Quarter	4.00	2.13
First Quarter	3.13	2.00

<FN>

<F1> These quotations reflect inter-dealer prices, without retail mark-up, markdown, or commissions, and may not represent actual transactions.

</FN>

</table>

As of October 31, 2002, the Company has 120 holders of record of its Common Stock.

The Company has not paid any dividends since its inception and does not anticipate paying any dividends on its Common Stock in the foreseeable future.

ITEM 8. RECENT SALES OF UNREGISTERED SECURITIES.

The Company has 10,368,340 shares of Common Stock issued and outstanding as of October 31, 2002. Of the total shares of the Company's Common Stock outstanding, 4,483,545 shares are freely tradable and 5,884,795 shares can only be resold in compliance with Reg. 144 adopted under the Securities Act of 1933 (the "Act").

In general, under Rule 144 as currently in effect, a person (or persons whose Shares are aggregated) who has beneficially owned Shares privately acquired directly or indirectly from the Company or from an affiliate, for at least one year, or who is an affiliate, is entitled to sell within any three month period a number of such Shares that does not exceed the greater of 1% of the then outstanding shares of the Company's Common Stock or the average weekly trading volume in the Company's Common Stock during the four calendar weeks, immediately preceding such sale. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about the Company. A person (or persons whose Shares are aggregated) who is not deemed to have been an affiliate at any time during the

90 day preceding a sale, and who has beneficially owned Restricted Shares for at least two years, is entitled to sell all such Shares under Rule 144 without regard to the volume limitations, current public information requirements, manner of sale provisions or notice requirements.

On August 24, 1993, the Company issued 960,800 of its \$0.01 par value shares to Precious Metal Mines, Inc. ("PMM"), for 16 unpatented mining claims located near Philipsburg, Montana comprising the Kadex property group. The foregoing shares were issued pursuant to Section 4(2) of the Securities Act of 1933 (the "Act").

On August 31, 1994, the directors of Cadgie Co. declared a 1:5 reverse stock split of the outstanding Cadgie Co. shares, thus reducing the number of outstanding shares from 960,800 to 192,160 shares.

On August 4, 1995, the directors of Cadgie Co. declared a 3:1 forward stock split of the outstanding Cadgie Co. shares, thus increasing the number of outstanding shares from 192,160 to 576,480.

During November 1995, Cadgie Co. directors approved an issue of 45,000 shares of Common Stock to Mr. Ryan for services rendered at \$0.01 per share. The foregoing shares were issued pursuant to Section 4(2) of the Act.

In June 1996, the Company completed a private placement of common stock resulting in net proceeds of \$25,000. The Company issued 250,000 common shares in connection with this private placement. The Company also issued 900,000 shares to Messrs. Bingham, Gorski and Ryan who had formed a partnership to advance

Page 9

development of the mining concession located in Coahuila, Mexico. The partnership had an informal joint venture agreement with Dakota covering the mining concessions. By acquiring the partnership interest, the Company was able to negotiate and sign a formal joint venture agreement with Dakota in July 1996. The foregoing shares were issued pursuant to Section 4(2) of the Act.

During June 1996, the Company issued 900,000 shares of Common Stock for the assignment of mineral rights in the Sierra Mojada Project in Coahuila, Mexico valued at \$0.01. The foregoing shares were issued pursuant to Section 4(2) of the Act.

In October 1996, the Company completed a private placement of common stock resulting in net proceeds of \$125,500. The Company issued 1,255,000 shares in connection with this placement. The Company also issued 120,000 shares to Mr. Gorski in payment for his services for the months of September and October. The Company issued 20,000 shares of Common Stock to Mr. Ryan as payment for services in those same months. Further, the Company issued 150,000 shares of common stock for computer equipment. The foregoing shares were

issued pursuant to Section 4(2) of the Act.

During February 1997, the Company borrowed \$30,000 from shareholders and issued 24,900 shares of Common Stock as a loan incentive. The foregoing shares were issued pursuant to Section 4(2) of the Act.

In March 1997, the Company completed an issuance of Common Stock resulting in net proceeds of \$17,500. The foregoing shares were issued pursuant to Section 4(2) of the Act.

In April 1997, the Company issued to Royal Silver Mines, Inc., 200,000 shares of Common Stock resulting in proceeds of \$70,000. The Company issued 133,800 shares of Common Stock for services and expenses. A total of 24,900 shares of Common Stock were issued as loan incentives (interest) for \$30,000 in loans from shareholders. These shares were issued at \$0.30 per share.

A total of 77,600 shares of Common Stock were issued in exchange for wages during the months of January, February, and March 1997 at \$0.35 per share. A total of 31,300 shares of Common Stock were issued to cover expenses incurred by shareholders at \$0.35 per share. The foregoing shares were issued pursuant to Section 4(2) of the Act.

On June 5, 1997, the Company issued 50,000 shares of Common Stock in consideration of services rendered. The foregoing shares were issued pursuant to Section 4(2) of the Act.

In 1997 and 1998, the Company issued warrants to eight persons. Each warrant entitles the holder to acquire one share of common stock at exercise prices ranging from \$0.35 to \$2.25. A total of 1,046,500 warrants were issued and 996,500 are currently outstanding; 50,000 of the warrants have been exercised. The warrants were issued pursuant to Section 4(2) of the Act.

Between August 14, 1998 and November 23, 1998, the Company sold 565,000 shares of common stock to eight persons/entities in consideration of \$565,000. The foregoing shares were sold pursuant to Section 4(2) of the Securities Act of 1933.

Between March 8, 1999 and June 11, 1999, the Company sold 662,500 shares of common stock to eight persons/entities in consideration of \$662,500. The foregoing shares were sold pursuant to Section 4(2) of the Securities Act of 1933.

In July and November 1999, options for 1,200,000 shares of common stock were exercised as a price of \$0.90 per share, pursuant to Section 4(2) of the Act.

In August 2000, the Company sold 1,440,500 shares for common stock at a price of \$2.77 per share. The foregoing shares were sold pursuant to Section 4(2) of the Securities Act of 1933.

During the year ended October 31, 2000, the company issued 120,000 shares for services rendered and 15,000 shares for equipment. The foregoing shares were issued pursuant to Section 4(2) of the Securities Act of 1933.

Page 10

During the year ended October 31, 2001, the Company issued 20,000 shares of common stock for the exercise of warrants valued at \$10,760 and cash of \$15,000. Additionally, 57,000 shares of common stock were issued for services valued at \$112,420 and cash of \$570 and 250,000 shares of common stock with 125,000 warrants attached were issued for \$500,000 in cash. The foregoing shares were issued pursuant to Section 4(2) of the Securities Act of 1933.

On May 20, 2002, the Company authorized the offering of 1,000,000 common stock units, with each unit consisting of one share of common stock and one warrant equal to 1/3 of a share of common stock.

During the year ended October 31, 2002, the Company issued 162,667 common stock units for a cash value of \$229,360 for common stock, and \$14,640 for warrants. The Company also issued 50,000 shares of common stock under the Penoles agreement for cash, at \$2.00 a share. Additionally, 86,078 shares of common stock were issued as compensation to officers for a value of \$104,875.

ITEM 9. SELECTED FINANCIAL DATA.

The selected financial data set forth below has been derived from, and should be read in conjunction with the Company's financial statements and the notes thereto, and Item 11 of this report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations". The selected financial data for the two years ended October 31, 2002 have been derived from the Company's consolidated financial statements appearing elsewhere in this report, which have been audited by Williams & Webster P.S., Spokane, Washington.

The selected financial data should be read in conjunction with and is qualified by such financial statements and the notes thereto.

<table>

<caption>

Selected Financial Data

	2002	2001
	----	----
	<c>	<c>
Summary of Balance Sheets:		
Working capital	\$48,963	\$570,389
Current assets	353,492	589,762
Total assets	5,011,289	4,982,003
Current liabilities	304,529	19,373
Long-term obligation	0	0

Total liabilities	304,529	19,373
Stockholder's equity	4,706,760	4,962,630

Summary of Statements of Operations:

Revenues	0	0
Net loss <F1>	(765,765)	(2,069,390)
Net loss per share	(0.08)	(0.21)

<FN>

<F1> Cumulative losses for period from inception (Nov. 8, 1993) through October 31, 2002 were \$7,175,605.

</FN>

</table>

ITEM 10. DESCRIPTION OF SECURITIES.

Common Stock

The authorized Common Stock of the Company consists of 50,000,000 shares of \$0.01 par value Common Stock. As of October 31, 2002, 10,368,340 shares are issued and outstanding of which 4,483,545 are freely tradable.

In general, under Reg.144, an affiliate of the Company (officers, directors, and owners of more than ten percent (10%) of the outstanding shares of Common Stock are affiliates of the Company) may sell in ordinary market transactions through a broker or with a market maker, within any three (3) month period a number of shares

Page 11

which does not exceed the greater of one percent (1%) of the number of outstanding shares of Common Stock or the average of the weekly trading volume of the Common Stock during the four calendar weeks prior to such sale. Sales under Reg.144 require the filing of Form 144 with the Securities and Exchange Commission. If the shares of Common Stock have been held for more than two (2) years by a person who is not an affiliate, there is no limitation on the manner of sale or the volume of shares that may be sold and no Form 144 is required. Sales under Reg. 144 may have a depressive effect on the market price of the Company's Common Stock.

All shares have equal voting rights and are not assessable. Voting rights are not cumulative and, therefore, the holders of more than 50% of the Common Stock could, if they chose to do so, elect all of the directors of the Company.

Upon liquidation, dissolution, or winding up of the Company, the assets of the Company, after the payment of liabilities, will be distributed pro rata to the holders of the Common Stock. The holders of the Common Stock do not have preemptive rights to subscribe for any securities of the Company and have no right to require the Company to redeem or purchase their shares. The shares of Common Stock presently outstanding are fully paid and non-assessable.

Dividends

Holders of the Common Stock are entitled to share equally in dividends when, as and if declared by the Board of Directors of the Company, out of funds legally available therefore. No dividend has been paid on the Common Stock since inception, and none is contemplated in the foreseeable future.

Options and Warrants

Currently, the Company has outstanding stock options and warrants to acquire up to 2,055,722 shares of common stock at exercise prices ranging from \$0.75 to \$5.00 per share. Each option or warrant permits the holder thereof to acquire one share of common stock. The options and warrant expiration periods range from November 1, 2002 to March 1, 2010.

Transfer Agent

The transfer agent for the Company's Common Stock is Columbia Stock Transfer Co., 421 Coeur d'Alene Avenue, Coeur d'Alene, Idaho 83814.

ITEM 11. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

Results of Operations - Inception (August 20, 1993) through October 31, 2002.

Metalline Mining Company (the "Company") is an exploration stage enterprise formed under the laws of the State of Nevada, on August 20, 1993, to engage in the business of mining. The Company has no operating history and is subject to all the risks inherent in a new business enterprise. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate.

From inception until May 1996, the Company was essentially dormant having as its only asset unpatented mining claims located in the State of Montana ("Kadex Property"). Since May 1996, the focus of the Company has been the Sierra Mojada Project in Mexico and the Company has dropped the Kadex Property claims. The Company is currently involved in exploration and evaluation of its Mexican property under agreement with Minas Penoles.

The Company does not intend to purchase a plant or significant equipment.

The Company will hire employees on an as needed basis, however, the Company does not expect any significant changes in the number of employees.

Liquidity and Capital Resources.

The Company has insufficient funds to carry on operations during the next twelve months. In order to maintain operations, the Company will have to raise additional capital through loans or through the sale of securities. If the Company is unable to raise additional capital, it may have to cease operations. The Company's plan of operation, subject to maintaining sufficient funds, calls for continued geologic mapping of the surface and underground workings, sampling and drilling to explore for additional mineralization, and to develop an ore reserve, and compilation of the data into a computer data base for reserve calculation.

Due to the Company's lack of revenues, the Company's independent certified public accountants included a paragraph in the Company's 2002 financial statements relative to a going concern uncertainty. The Company has financed its obligations during the 2001 / 2002 fiscal year by its sale of 212,667 shares at an average price of \$1.62 per share.

The Company is engaged in the business of mining. The Company currently owns one mining property located in Mexico known as the Sierra Mojada Property. The Company conducts its operations in Mexico through its wholly owned subsidiary corporation, Minera Metalin S.A. de C.V. ("Minera Metalin").

EFFECT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS.

In September 2000, the FASB issued SFAS No.140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishment of liabilities and also provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. SFAS No.140 is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000, and is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The Company believes that the adoption of this standard will not have a material effect on the Company's results of operations or financial position.

In June 2001, the FASB issued SFAS No.141, "Business Combinations" and SFAS No.142, "Goodwill and Other Intangible Assets". SFAS No.141 provides for the elimination of the pooling-of-interests method of accounting for business combinations with an acquisition date of July 1,2001 or later. SFAS No.142 prohibits the amortization of goodwill and other intangible assets with indefinite lives and requires periodic reassessment of the underlying value of such assets for impairment. SFAS No.142 is effective for fiscal years

beginning after December 15, 2001. An early adoption provision exists for companies with fiscal years beginning after March 15, 2001. On October 31, 2001, the Company adopted SFAS No.142. Application of the non-amortization provision of SFAS No.142 is expected to result in no change in net income in fiscal 2002. The Company is currently evaluating the impact of the transitional provisions of the statement.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.143, "Accounting for Asset Retirement Obligations" (SFAS No.143). SFAS No.143 establishes guidelines related to the retirement of tangible long-lived assets of the Company and the associated retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived assets. This statement is effective for financial statements issued for the fiscal years beginning after June 15, 2002. The Company adopted SFAS No.143, which will not impact the financial statements of the Company at October 31, 2002.

ITEM 12. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements of the Company for the years ended October 31, 2002, and 2001 included elsewhere in this report have been audited by Williams & Webster, P.S., Spokane, Washington. An index to such financial statements appears at Page 21 of this report.

Page 13

ITEM 13. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

There have been no disagreements on accounting and financial disclosures through the date of this 10-KSB.

PART III

ITEM 14. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS.

The officers and directors of the Company are as follows:

Name	Age	Position
Merlin Bingham Board of	69	President and Chairman of the Directors
Daniel Gorski a member	65	Vice President of Operations and of the Board of Directors

Roger Kolvoord 62 Member of the Board of Directors

Wayne Schoonmaker 65 Secretary & Treasurer

All directors hold office until the next annual meeting of shareholders or until their successors have been elected and qualified. The Company's officers are elected by the Board of Directors at the annual meeting and hold office until their death, or until they resign, or have been removed from office.

Officer and Director Biographies:

Merlin Bingham, President, and Chairman of the Board of Directors

Since October 1996, Mr. Bingham has been the President and Chairman of the Board of Directors of the Company. From 1963 to 1983 Mr. Bingham worked in exploration for mining and oil companies in the western U.S. and Alaska, Zambia, the United Arab Emirates, Ecuador and Mexico. Since 1983, Mr. Bingham has been a consulting geologist. Mr. Bingham received a B.S. degree in Mineralogy from the University of Utah in 1963.

Daniel Gorski, Vice President of Operations, and a member of the Board of Directors

Since June 1996, Mr. Gorski has been the Vice President of Operations and a member of the Board of Directors of the Company. Mr. Gorski has been a consulting geologist and mine manager since 1974 working in the western U.S. and Mexico. From January 1992 to June 1996, Mr. Gorski was employed as a contract geologist, working in Mexico, employed by USMX, Inc., an exploration and mining company located in Denver, Colorado. Mr. Gorski received a B.S. degree in Geology from Ross State College, Alpine Texas, and a M.A. in Geology from the University of Texas in 1970.

Roger Kolvoord - Director

Dr. Kolvoord has been a director of the Company since August 2002. Dr. Kolvoord has a B.S. degree in geology from the University of Michigan, a M.S. in Mineralogy from the University of Utah, and a Ph.D. in geochemistry from the University of Texas at Austin. He worked in exploration and exploration research for Kennecott Copper Company, Ranchers Exploration and Development Corporation, and ARCO, and operated a services company providing field services to oil and gas and mining companies. He has extensive mining and energy exploration experience. He was a manager with the Boeing Company for 14 years, working mainly in program management and new business development capacities in information systems and in remote sensing and geospatial information (mapping) ventures. An Associate Technical Fellow of the Boeing Company, he returned to private consulting practice in 2000. An active member of the American Association of Petroleum Geologists, he served two terms as the Pacific Section Councilor of the Energy Minerals Division and is

currently Chair of the Geospatial Information Committee. He resides in the Puget Sound region of Washington.

Page 14

Wayne Schoonmaker Secretary & Treasurer

From 1981 to 1993, Mr. Schoonmaker was Financial Manager of the Northwest Mining Department of ASARCO and from 1978 to 1981, he was Chief Accountant at ASARCO's Troy Unit in Montana, where he was responsible for the installation and implementation of the accounting system for the start-up of the Troy Mine. From July 1978 to December 1978, Mr. Schoonmaker was Assistant Treasurer of the Bunker Hill Mining Company, and from 1964 to 1978, he was Assistant Corporation Secretary of Hecla Mining Company. Mr. Schoonmaker currently serves as Secretary and Treasurer of Sterling Mining Company, which position he has held since July 1999. Mr. Schoonmaker received a Bachelor of Science degree in Accounting from the University of Montana in 1962 and an MBA from the University of Idaho in 1987. Mr. Schoonmaker is a Certified Public Accountant in the states of Idaho and Montana.

CONTROLS AND PROCEDURES

ANNUAL EVALUATION OF THE COMPANY'S DISCLOSURE CONTROLS AND INTERNAL CONTROLS.

Within the 90 days prior to the date of this Annual Report on Form 10-KSB, the Company evaluated the effectiveness of the design and operation of its "disclosure controls and procedures" (Disclosure Controls), and its "internal controls and procedures for financial reporting" (Internal Controls). This evaluation (the Controls Evaluation) was done under the supervision and with the participation of management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Rules adopted by the SEC require that in this section of the Annual Report we present the conclusions of the CEO and the CFO about the effectiveness of our Disclosure Controls and Internal Controls based on and as of the date of the Controls Evaluation.

CEO AND CFO CERTIFICATIONS.

Appearing immediately following the Signatures section of this Annual Report there are two separate forms of "Certifications" of the CEO and the CFO. The second form of Certifications is required in accord with Section 302 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certification). This section of the Annual, which you are currently reading is the information concerning the Controls Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS.

Disclosure Controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (Exchange Act), such as this Annual Report, is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's (SEC) rules and forms. Disclosure Controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Internal Controls are procedures which are designed with the objective of providing reasonable assurance that (1) our transactions are properly authorized; (2) our assets are safeguarded against unauthorized or improper use; and (3) our transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with generally accepted accounting principles.

LIMITATIONS ON THE EFFECTIVENESS OF CONTROLS.

The Company's management, including the CEO and CFO, does not expect that our Disclosure Controls or our Internal Controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty,

Page 15

and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

SCOPE OF THE CONTROLS EVALUATION.

The CEO/CFO evaluation of our Disclosure Controls and our Internal Controls included a review of the controls' objectives and design, the control's implementation by the Company and the effect of the controls on the information generated for use in this Annual Report. In the course of the Controls Evaluation, we sought to identify data

errors, controls problems or acts of fraud and to confirm that appropriate corrective action, including process improvements, were being undertaken. This type of evaluation will be done on a quarterly basis so that the conclusions concerning controls effectiveness can be reported in our Quarterly Reports on Form 10-QSB and Annual Report on Form 10-KSB. Our Internal Controls are also evaluated on an ongoing basis by our independent auditors in connection with their audit and review activities. The overall goals of these various evaluation activities are to monitor our Disclosure Controls and our Internal Controls and to make modifications as necessary; our intent in this regard is that the Disclosure Controls and the Internal Controls will be maintained as dynamic systems that change (including with improvements and corrections) as conditions warrant.

Among other matter, we sought in our evaluation to determine whether there were any "significant deficiencies" or "material weaknesses" in the Company's Internal Controls, or whether the Company had identified any acts of fraud involving personnel who have a significant role in the Company's Internal Controls. This information was important both for the Controls Evaluation generally and because items 5 and 6 in the Section 302 Certifications of the CEO and CFO require that the CEO and CFO disclose that information to our Board's Audit Committee and to our independent auditors and to report on related matters in this section of the Annual Report. In the professional auditing literature, "significant deficiencies" are referred to as "reportable conditions"; these are control issues that could have a significant adverse effect on the ability to record, process, summarize, and report financial data in the financial statements. A "material weakness" is defined in the auditing literature as a particularly serious reportable condition where the internal control does not reduce to a relatively low level the risk that misstatements caused by error or fraud may occur in amounts that would be material in relation to the financial statements and not be detected within a timely period by employees in the normal course of performing their assigned functions. We also sought to deal with other controls matters in the Controls Evaluation, and in each case if a problem was identified, we considered what revision, improvement and/or correction to make in accord with our on-going procedures.

In accord with SEC requirements, the CEO and CFO note that, since the date of the Controls Evaluation to the date of this Annual Report, there have been no significant changes in Internal Controls or in other factors that could significantly affect Internal Controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

CONCLUSIONS.

Based upon the Controls Evaluation, our CEO and CFO have concluded that, subject to the limitations noted above, our Disclosure Controls are effective to ensure that material information relating

to Metalline Mining Company and its subsidiary is made known to management, including the CEO and CFO, particularly during the period when our periodic reports are being prepared, and that our Internal Controls are effective to provide reasonable assurance that our financial statements are fairly presented in conformity with generally accepted accounting principles.

[The balance of this page has been intentionally left blank.]

Page 16

ITEM 15. EXECUTIVE COMPENSATION.

Summary Compensation.

The following table sets forth the compensation paid by the Company from January 1, 1998 through December 31, 2002, for each officer and director of the Company. This information includes the dollar value of base salaries, bonus awards and number of stock options granted, and certain other compensation, if any.

SUMMARY COMPENSATION TABLE

<table>
<caption>

Compensation Names Restricted Executive or Officer and Restricted LTIP Principal Payouts Position Units(US\$)	Year Ended	Annual Compensation		Long-Term Awards		
		Salary (US\$)	Bonus (US\$)	Other Annual Compen- (US\$)	Under Options/ SARs Granted (#)	Share Share
Merlin 0	2002	48,000	0	40,625	0	0
Bingham 0	2001	72,000	0	0	100,000	0
President 0	2000	72,000	0	0	0	0
	1999	72,000	0	0	0	0
	1998	72,000	0	0	0	0
Daniel 0	2002	48,000	0	40,625	0	0
Gorski 0	2001	72,000	0	0	100,000	0

Vice	2000	72,000	0	0	0	0
0						
President	1999	72,000	0	0	0	0
0						
	1998	78,000	0	0	0	0
0						
Roger	2002	0	0	0	100,000	0
0						
Kolvoord	2001	0	0	0	0	0
0						
Director	2000	0	0	0	0	0
0						
	1999	0	0	0	0	0
0						
	1998	0	0	0	0	0
0						
Wayne	2002	12,000	0	10,125	0	0
0						
Schoonmaker	2001	18,000	0	0	50,000	0
0						
Secretary/	2000	18,000	0	0	0	0
0						
Treasurer	1999	18,000	0	0	0	0
0						
	1998	7,500	0	0	0	0
0						

There are no other stock option plans, retirement, pension, or profit sharing plans for the benefit of the Company's officers and directors.

</table>

Option/SAR Grants.

The following grants of stock options, whether or not in tandem with stock appreciation rights ("SARs") and freestanding SARs have been made to officers and/or directors:

[The balance of this page has been intentionally left blank.]

Page 17

<table>

<caption>

Expiration Name	Number of SARs Granted	Number of Securities		Exercise or Base	Number of Options Exercised
		Underlying Options	Underlying Options/SARs Granted During Last 12 Months		
Date					
----	-----	-----	-----	-----	-

<s>	<c>	<c>	<c>	<c>
Merlin D. Bingham 03/01/10	100,000	0	2.15	0
Daniel E. Gorski 03/01/10	100,000	0	2.15	0
Roger Kolvoord 08/06/09	100,000	100,000	1.25	0
Wayne L. Schoonmaker 10/04/06	50,000	0	1.32	0

</Table>
Long-Term Incentive Plan Awards.

The Company's shareholders approved a Qualified Stock Option Plan at the annual meeting of shareholders held March 1, 2001. During the year ended October 31, 2001 and October 31, 2002, options for 350,000 shares and 100,000 shares, respectively, were granted to officers and directors of the Company.

Compensation of Directors.

In general, the Directors do not receive any compensation for serving as members of the Board of Directors. There are no contractual arrangements with any member of the Board of Directors. During the year ended October 31, 2002, an option for 100,000 shares, was granted to a director.

ITEM 16. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth the Common Stock ownership of each person known by the Company to be the beneficial owner of five percent or more of the Company's Common Stock, each director individually, and all officers and directors of the Company as a group. Each person has sole voting and investment power with respect to the shares of Common Stock shown, unless otherwise noted, and all ownership is of record and beneficial.

<table>
<caption>

Name	Number of	% of
Outstanding	Shares	Position
of owner		
Shares		
----	----	-----

<s>	<c>	<c>

<c>			
Merlin Bingham	979,424	President, CEO and Chairman	
9.45%			
		of the Board of Directors	
Daniel Gorski	799,944	Vice President of Operations	
7.72%			
		and member of the Board	
		of Directors	
Roger Kolvoord	49	Member of the Board of	
0.00%			
		Directors	
Wayne Schoonmaker	8,310	Secretary & Treasurer	
0.08%			

All officers and
directors as a 1,787,727
17.24%
group (4 persons)

Britannia Holdings 3,190,500
30.77%
King's House
The Grange St. Peter Port Guernsey
Channel Islands
</table>

Page 18

ITEM 17. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The Company was formed on November 8, 1993, by Mr. Carman Ridland of Las Vegas, Nevada as a spin-off from its predecessor Precious Metal Mines, Inc. ("PMM").

The Company issued 960,800 of its \$0.01 par value shares to PMM, for 16 unpatented mining claims located near Philipsburg, Montana comprising the Kadex property group.

PMM distributed the 960,800 shares of Cadgie Co. to its shareholders, one share of Cadgie Co. for each share of PMM held by holders of record as of August 31, 1993.

On August 31, 1994, the directors of Cadgie Co. declared a 1:5 reverse stock split of the outstanding Cadgie Co. shares, thus reducing the number of outstanding shares from 960,800 to 192,160 shares.

On August 4, 1995, the directors of Cadgie Co. declared a 3:1 forward stock split of the outstanding Cadgie Co. shares, thus increasing the number of outstanding shares from 192,160 to 576,480.

During November 1995, Metalline Mining Company's directors approved an issue of 45,000 shares of Common Stock to Mr. Ryan for services rendered at \$0.01 per share.

In January 1996, Carman Ridland in a private sale, sold a controlling interest in the corporation to Howard Crosby. On January 12, 1996, Mr. Ridland transferred control of Cadgie Co. to Mr. Howard Crosby and Mr. Robert Jorgensen.

In May 1996, Messrs. Crosby and Jorgensen were made aware of certain potentially valuable mining properties and concessions located at Sierra Mojada, Coahuila, Mexico. Messrs. Crosby and Jorgensen transferred control of Cadgie Co. to Messrs. Bingham, Gorski and Ryan so that Cadgie Co. could focus on the opportunity presented at Sierra Mojada.

In June 1996, the Company completed a private placement of common stock resulting in net proceeds of \$25,000. The Company issued 250,000 common shares in connection with this private placement. The Company also issued 900,000 shares to Messrs. Bingham, Gorski and Ryan who had formed a partnership to advance development of the mining concession located in Coahuila, Mexico. The partnership had an informal joint venture agreement with Dakota covering the mining concessions. By acquiring the partnership interest, the Company was able to negotiate and sign a formal joint venture agreement with Dakota in July 1996.

During June 1996, the Company issued 900,000 shares of Common Stock for the assignment of mineral rights in the Sierra Mojada Project in Coahuila, Mexico valued at \$0.01.

In August 1996, the Company changed its name to Metalline Mining Company and increased the authorized capital to 50,000,000 shares.

In October 1996, the Company completed a private placement of common stock resulting in net proceeds of \$125,500. The Company issued 1,255,000 shares in connection with this placement. The Company also issued 120,000 shares to Mr. Gorski in payment for his services for the months of September and October. The Company issued 20,000 shares of Common Stock to Mr. Ryan as payment for services in those same months. Further, the Company issued 150,000 shares of common stock for computer equipment.

During February 1997, the Company borrowed \$30,000 from shareholders and issued 24,900 shares of Common Stock as a loan incentive.

In March 1997, the Company completed an issuance of Common Stock resulting in net proceeds of \$17,500.

In April 1997, the Company issued to Royal Silver Mines, Inc., 200,000 shares of Common Stock resulting in proceeds of \$70,000. The Company issued 133,800 shares of Common Stock were issued for services and

Page 19

expenses. A total of 24,900 shares of Common Stock were issued as loan incentives (interest) for \$30,000 in loans from shareholders.

These shares were issued at \$0.30 per share. A total of 77,600 shares of Common Stock were issued in exchange for wages during the months of January, February and March 1997 at \$0.35 per share. A total of 31,300 shares of Common Stock were issued to cover expenses incurred by shareholders at \$0.35 per share.

On June 5, 1997, the Company issued 50,000 shares of Common Stock to Mario Ayub Touche in consideration of services rendered.

In August 2002, Roger Kolvoord was appointed to the Board of Directors. Mr. Kolvoord replaces James Czirr, who previously resigned from the Board.

In August, September, and October 2002, the Company issued 86,078 shares to officers of the Company for services rendered.

PART IV

ITEM 18. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

EXHIBITS. The following exhibits are filed as part of this report.

Exhibits previously filed are incorporated by reference,
as
noted.

EXHIBIT NO. EXHIBIT

3.1 Articles of Incorporation of the registrant. Filed as an exhibit to the registrant's registration statement on Form 10-SB (Commission File No.000-27667) and incorporated by reference herein.

3.2 Bylaws of registrant. Filed as an exhibit to the registrant's registration statement on Form 10-SB and incorporated by reference herein.

3.3 Articles of Amendment to the Articles of Incorporation. Filed as an exhibit to the registrant's registration statement on Form 10-SB and incorporated by reference herein.

4.1 Specimen stock certificate of the registrant. Filed as an exhibit to the registrant's registration statement on Form 10-SB and incorporated by reference herein.

10.1 Master agreement between the registrant and USMX, Inc. relating to development and exploration of certain mineral properties. Filed as an exhibit to the registrant's registration statement on Form 10-SB and incorporated by reference herein.

10.2 Royal Silver letter regarding Joint Venture Agreement between Royal Silver, Minera Metalin S.A. de C.V. and its registrant. Filed as an exhibit to the registrant's registration statement on Form 10-SB and incorporated by reference herein.

10.3 Consulting Agreement dated December 1, 1997 between the registrant and James Czirr. Filed as Exhibit 99.1 on the registrant's Form 10-SB and incorporated by reference herein.

10.4 Consulting addendum dated August 24, 1998 between the registrant and James Czirr. Filed as Exhibit 99.2 on the registrant's Form 10-SB and incorporated by reference herein.

REPORTS ON FORM 8-K. NONE.

Page 20

METALLINE MINING COMPANY

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

PAGE

Report of Independent Certified
Public Accountants F/S-1

Financial Statements:

Balance Sheets as of October 31, 2002
and October 31, 2001 F/S-2

Statements of Operations for the Years Ended
October 31, 2002 and 2001, and for
the period from inception (November 8, 1993)
to October 31, 2002 F/S-3

Statements of Changes in Stockholder's Equity
for the period from inception (November 8, 1993)
to October 31, 2002 F/S-4

Statements of Cash Flow for the Years Ended
October 31, 2002 and 2001, and for the
period from inception (November 8, 1993) to
October 31, 2002 F/S-8

Notes to Financial Statements F/S-9

Summary of Accounting Policies F/S-9

Signatures F/S-20

[The balance of this page has been intentionally left blank.]

Page 21

</page>

<page>

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Metalline Mining Company
Coeur d'Alene, Idaho

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated balance sheets of Metalline Mining Company (an exploration stage company) and subsidiary as of October 31, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended, and for the period from November 8, 1993 (inception) through October 31, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metalline Mining Company and subsidiary as of October 31, 2002 and 2001, and the results of its operations and cash flows for the years then ended and for the period from November 8, 1993 (inception) to October 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's significant operating losses raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Williams & Webster, P.S.
CERTIFIED PUBLIC ACCOUNTANTS
Spokane, Washington
January 10, 2003
F/S 1
</page>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

<table>
<caption>

	October 31, 2002	October 31, 2001
	-----	-----
<s>	<c>	<c>
ASSETS		
CURRENT ASSETS		
Cash	\$ 216,363	\$ 31,032
Investments	-	484,447
Accounts receivable	62,501	-
Foreign tax refund receivable	59,287	59,287
Prepaid expenses	1,920	3,849
Employee advances	13,421	11,146
	-----	-----
Total Current Assets	353,492	589,762
	-----	-----
MINERAL PROPERTIES	4,334,767	4,334,767
	-----	-----
PROPERTY AND EQUIPMENT		
Office and mining equipment, net of accumulated depreciation	323,030	57,474
	-----	-----
Total Property and Equipment	323,030	57,474
	-----	-----
TOTAL ASSETS	\$ 5,011,289	\$ 4,982,003
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 111,223	\$ 5,275
Accrued liabilities	193,306	14,098
	-----	-----
Total Current Liabilities	304,529	19,373
	-----	-----
COMMITMENTS AND CONTINGENCIES	-----	-----
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized, no shares outstanding	-	-
Common stock, \$0.01 par value; 50,000,000 shares authorized, 10,368,340 shares issued and 10,069,595 shares issued and outstanding, respectively	103,685	100,677
Additional paid-in capital	10,280,713	9,849,466
Stock options and warrants	1,497,967	1,422,327
Deficit accumulated during exploration stage	(7,175,605)	(6,409,840)

Total Stockholders' Equity	4,706,760	4,962,630
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 5,011,289	\$ 4,982,003

The accompanying notes are an integral part of these consolidated financial statements.

F/S 2

</table>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS

<table>
<caption>

	Years Ended October 31, 2002	October 31, 2001	Period from November 8, 1993 (Inception) to October 31, 2002
	<c>	<c>	<c>
REVENUES	\$ -	\$ -	\$ -
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries	340,708	234,480	1,231,582
Office	64,388	111,279	355,640
Taxes and fees	35,657	58,193	144,335
Professional services	118,163	1,261,376	3,269,224
Property expenses	23,921	361,647	1,458,397
Depreciation	35,829	28,498	152,515
Exploration and research	50,986	38,332	218,600
Total General and Administrative Expenses	669,652	2,093,805	6,830,293
LOSS FROM OPERATIONS		(669,652)	(2,093,805) (6,830,293)
OTHER INCOME (EXPENSES)			
Miscellaneous ore sales, net of expenses	(99,252)	14,098	(85,134)
Interest income	3,139	10,317	25,381
Interest expense	-	-	(285,559)
Total Other Income	(96,113)	24,415	(345,312)
LOSS BEFORE INCOME TAXES		(765,765)	(2,069,390) (7,175,605)
INCOME TAXES		-	-
NET LOSS	\$(765,765)	\$(2,069,390)	\$(7,175,605)

BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.08)	\$ (0.21)	\$ (1.41)
=====	=====	=====	
BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	10,172,964	9,912,262	5,096,398
=====	=====	=====	

The accompanying notes are an integral part of these consolidated financial statements.

F/S 3

</table>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

<table>
<caption>

	Common Stock		Additional	Stock	Accumulated	Stock	Deficit	
	Number of	Amount	Paid-in	Sub-	Options	and	During Ex-	Total
	Shares		Capital	scriptions	Warrants	Warrants	ploration	
				Receivable			Stage	
<s>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>
Common stock issuance								
prior to inception (no value)	960,800	\$ 9,608	\$(9,608)	\$ -	\$ -	\$ -	\$ -	\$ -
1:5 reverse common stock split	(768,640)	(7,686)	7,686	-	-	-	-	-
Net loss for the year ended								
October 31, 1994	-	-	-	-	-	(8,831)	(8,831)	
Balances, October 31, 1994	192,160	1,922	(1,922)	-	-	(8,831)	(8,831)	(8,831)
3:1 common stock split	384,320	3,843	(3,843)	-	-	-	-	-
Net loss for the year ended								
October 31, 1995	-	-	-	-	-	(7,761)	(7,761)	
Balance, October 31, 1995	576,480	\$ 5,765	\$(5,765)	\$ -	\$ -	\$(16,592)	\$(16,592)	\$(16,592)
Issuance of common stock as follows:								
- for par value at transfer								
of ownership	2,000	20	-	-	-	-	20	
- for cash at an average								
of \$0.11 per share	1,320,859	13,209	133,150	-	-	-	146,359	
- for services at an average								
of \$0.08 per share	185,000	1,850	12,600	-	-	-	14,450	
- for computer equipment								
at \$0.01 per share	150,000	1,500	13,500	-	-	-	15,000	
- for mineral property								
at \$0.01 per share	900,000	9,000	-	-	-	-	9,000	
Net loss for the year ended								
October 31, 1996	-	-	-	-	-	(40,670)	(40,670)	
Balances, October 31, 1996	3,134,339	\$31,344	\$153,485	\$ -	\$ -	\$(57,262)	\$(57,262)	\$127,567

Table continued on next page.

The accompanying notes are an integral part of these consolidated financial statements.

F/S 4

</Table>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(continued)

<table>

<caption>

	Common Stock		Additional	Stock	Accumulated	Deficit		
	Number of	Amount	Paid-in	Sub-	Stock	During Ex-	Stage	Total
	Shares		Capital	scriptions	Options	ploration		
	----	-----	-----	-----	-----	-----	-----	-----
<s>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>
Balance brought Forward		3,134,339		\$31,344	\$153,485	\$ -	\$ -	\$(57,262) \$127,567
Issuance of common Stock as follows:								
- for cash at an average of \$0.61 per share	926,600	9,266	594,794	-	-	-	-	604,060
- for services at an average of \$0.74 per share	291,300	2,913	159,545	-	-	-	-	162,458
- for payment of a loan at \$0.32 per share	100,200	1,002	30,528	-	-	-	-	31,530
Options issued as follows:								
- 300,000 options for cash	-	-	3,000	-	-	-	-	3,000
Net loss for year ended October 31, 1997		-	-	-	-	(582,919)	(582,919)	
Balances at October 31, 1997		4,452,439	\$44,525	\$941,352	\$ -	\$ -	\$(640,181)	\$345,696
Issuance of common stock as follows:								
- for cash at an average of \$1.00 per share	843,500	8,435	832,010	-	-	-	-	840,445
- for cash and receivables at \$1.00 per share	555,000	5,550	519,450	(300,000)	-	-	-	225,000
- for services at an average of \$0.53 per share	41,800	418	21,882	-	-	-	-	22,300
- for mine data base at \$1.63 per share	200,000	2,000	323,000	-	-	-	-	325,000
Options issued or granted as follows:								
- 1,200,000 options for cash	-	-	120,000	-	-	-	-	120,000
- for financing fees	-	-	-	-	60,000	-	-	60,000
- for consulting fees	-	-	-	-	117,000	-	-	117,000
Warrants issued for services	-	-	-	-	488,980	(488,980)	-	
Net loss for year ended October 31, 1998		-	-	-	-	(906,036)	(906,036)	

Balance, October 31, 1998 6,092,739 \$60,928 \$2,757,694 \$(300,000) \$665,980 \$(2,035,197) \$(1,149,405)

Table continued on next page.

The accompanying notes are an integral part of these consolidated financial statements.

F/S 5

</Table>

METALLINE MINING COMPANY

(An Exploration Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(continued)

<table>

<caption>

	Common Stock		Additional	Stock	Accumulated	Deficit		
	Number of	Amount	Paid-in	Sub-	Stock	During Ex-		
	Shares		Capital	scriptions	Options	ploration	Stage	Total
	----	----	----	----	----	----	----	----
<s>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>
Balance brought Forward		6,092,739	\$60,928	\$2,757,694	\$(300,000)	\$665,980	\$(2,035,197)	\$(1,149,405)
Issuance of common stock as follows:								
- for cash at an average								
of \$1.04 per share	818,800	8,188	842,712	-	-	-	850,900	
- for drilling fees								
at \$0.90 per share	55,556	556	49,444	-	-	-	50,000	
Stock options and warrant activity								
as follows:								
- exercise of options								
at \$0.90 per share	250,000	2,500	267,500	-	(45,000)	-	225,000	
- issuance of options for								
financing fees	-	-	-	-	216,000	-	216,000	
- expiration of options								
-	-	-	60,000	-	(60,000)	-	-	
Stock subscription received								
-	-	-	-	300,000	-	-	300,000	
Net loss for year								
ended October 31, 1999		-	-	-	-	(1,423,045)	(1,423,045)	
Balance, October 31, 1999		7,215,095	\$72,152	\$3,977,350	\$ -	\$776,980	\$(3,458,242)	\$1,368,240
Stock option and warrant activity								
as follows:								
Exercise of options at								
\$0.86 per share	950,000	9,500	1,090,750	-	(288,000)	-	812,250	
Warrants issued for services								
-	-	-	-	-	55,000	-	55,000	
Issuance of common stock as follows:								
- for cash at an average of \$2.77								
of \$2.77 per share	1,440,500	14,405	3,972,220	-	-	-	3,986,625	
- for services at \$1.28 per share	120,000	1,200	152,160	-	-	-	153,360	
- for equipment at \$1.67 per share	15,000	150	24,850	-	-	-	25,000	
Net loss for year								
ended October 31, 2000		-	-	-	-	(882,208)	(882,208)	
Balance, October 31, 2000		9,742,595	\$ 97,427	\$9,217,330	\$ -	\$543,980	\$(4,340,450)	\$5,518,287

Table continued on next page.

The accompanying notes are an integral part of these consolidated financial statements.

F/S 6

</table>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(continued)

<table>

<caption>

	Common Stock		Additional	Stock	Accumulated	Stock	Deficit		
	Number of	Amount	Paid-in	Sub-	Stock	Options	During Ex-		
	Shares		Capital	scriptions	and	Warrants	ploration	Stage	Total
	-----	-----	-----	-----	-----	-----	-----	-----	-----
<s>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>
Balance brought Forward		9,742,595	\$97,427	\$9,217,330	\$ -	\$543,980	\$(4,340,450)		\$5,518,287
Stock option and warrant activity									
as follows:									
-Warrants exercised									
at \$0.75 per share	20,000	200	25,560	-	(10,760)	-	15,000		
-Options issued for consulting fees	-	-	-	-	740,892	-	740,892		
-Warrants issued for consulting fees	-	-	-	-	144,791	-	144,791		
Issuance of common stock as follows:									
- for cash at \$2.00 per share	250,000	2,500	494,076	-	3,424	-	500,000		
- for cash of \$210 and services at \$2.07 per share	21,000	210	43,260	-	-	-	43,470		
- for cash of \$180 and services at \$2.05 per share	18,000	180	36,720	-	-	-	36,900		
- for services at \$2.45 per share	6,000	60	14,640	-	-	-	14,700		
- for services at \$1.50 per share	12,000	120	17,880	-	-	-	18,000		
Net loss for year ended October 31, 2001		-	-	-	-	(2,069,390)	(2,069,390)		
Balance, October 31, 2001		10,069,595	100,697	9,849,466	-	1,422,327	(6,409,840)		4,962,650
Issuance of common stock as follows:									
- for cash at \$2.00 per share	50,000	500	99,500	-	-	-	100,000		
- for cash and warrants at \$1.50 per share	96,000	960	134,400	-	8,640	-	144,000		
- for cash and warrants at \$1.50 per share	66,667	667	93,333	-	6,000	-	100,000		
- for compensation at an average of \$1.23 per share	86,078	861	104,014	-	-	-	104,875		
Stock option activity as follows:									
- for compensation at \$0.61 per share	-	-	-	-	61,000	-	61,000		
Net loss for year ended October 31, 2002		-	-	-	-	(765,765)	(765,765)		
Balance, October 31, 2002		10,368,340	\$103,685	\$10,280,713	\$ -	\$1,497,967	\$(7,175,605)		\$4,706,760

The accompanying notes are an integral part of these consolidated financial statements.

F/S 7

</table>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

<table>

<caption>

	Years Ended ----- October 31, 2002	October 31, 2001	Period from November 8, 1993 (Inception) to October 31, 2002 -----	
	<c>	<c>	<c>	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	\$(765,765)	\$(2,069,390)	\$(7,175,605)	
Adjustments to reconcile net loss to net cash used by operating activities:				
Depreciation	35,829	28,498	152,485	
Noncash expenses	-	126,864	126,864	
Payment of services from issuance of stock	104,875	112,680	691,090	
Payment of services from issuance of options	61,000	740,892	801,892	
Payment of financing fees from the issuance of stock options	-	-	276,000	
Payment of expenses with issuance of stock Warrants issued for services	-	144,791	688,771	
(Increases) decreases in:				
Foreign property tax refund receivable	-	487,949	(59,287)	
Accounts receivable	(62,501)	-	(62,501)	
Prepaid expenses	1,929	(621)	(1,920)	
Employee advances	(2,275)	(282)	(13,421)	
Increases (decreases) in:				
Accounts payable	105,948	(350)	111,223	
Accrued liabilities	179,208	(2,069)	193,306	
	-----	-----	-----	
Net cash used by operating activities	142,695	(915,485)	(3,944,586)	
	-----	-----	-----	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	-	(484,447)	(484,447)	
Proceeds from Investments	484,447	-	484,447	
Equipment purchases	(301,364)	(6,584)	(435,492)	
Mining property acquisitions	-	(112,846)	(4,452,631)	
	-----	-----	-----	
Net cash used by investing activities	183,083	(603,877)	(4,888,123)	
	-----	-----	-----	
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from sales of common stock	329,360	515,390	7,981,672	
Proceeds from sales of options and warrants	14,640	-	949,890	
Deposits for sale of stock	-	-	87,500	
Proceeds from shareholder loans	-	-	30,000	
	-----	-----	-----	
Net cash provided by financing activities:	344,000	515,390	9,049,062	
	-----	-----	-----	

Net increase (decrease)			
in cash and cash equivalents	185,331	(519,525)	216,363
Cash beginning of period	31,032	550,557	-
	-----	-----	-----
Cash at end of period	\$216,363	\$31,032	\$216,363
	=====	=====	=====

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Income taxes paid	\$ -	\$ -	\$ -
Interest paid	\$ -	\$ -	\$ -

NON-CASH FINANCING ACTIVITIES:

Common stock issued for services	\$104,875	\$112,680	\$691,090
Common stock issued for payment of expenses	\$ -	\$ -	\$326,527
Common stock issued for equipment	\$ -	\$ -	\$25,000
Common stock options issued for financing fees	\$ -	\$ -	\$276,000
Options issued for services	\$61,000	\$740,892	\$801,892
Warrants issued for services	\$ -	\$144,791	\$688,771

The accompanying notes are an integral part of these consolidated financial statements.

F/S 8

</table>

<page>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 1 ORGANIZATION AND DESCRIPTION OF BUSINESS

Metalline Mining Company ("the Company") was incorporated in the State of Nevada on November 8, 1993 as the Cadgie Company for the purpose of acquiring and developing mineral properties. The Cadgie Company was a spin-off from its predecessor, Precious Metal Mines, Inc. The articles of incorporation of Cadgie Company were executed on August 20, 1993. On June 28, 1996, at a special directors meeting, the Company's name was changed to Metalline Mining Company. The Company's fiscal year-end is October 31.

The Company's efforts have been concentrated in expenditures related to exploration properties, principally in the Sierra Mojada project located in Coahuila, Mexico. The Company has not determined whether the exploration properties contain ore reserves that are economically recoverable. The ultimate realization of the Company's investment in exploration properties is dependent upon the success of future property sales, the existence of economically recoverable reserves, the ability of the Company to obtain financing or make other arrangements for development, and upon future profitable production. The ultimate realization of the Company's investment in exploration properties cannot be determined at this time, and accordingly, no provision for any asset impairment that may result, in the event the Company is not successful in developing or selling these properties, has been made in the accompanying financial statements.

The Company is actively seeking additional capital and management believes its properties can ultimately be sold or developed to enable the Company to continue its operations. However, there are inherent uncertainties in mining operations and management cannot provide assurances that it will be successful in this endeavor. Furthermore, the Company is in the exploration stage, as it has not realized any revenues from its planned operations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the U.S. and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting.

Accounting Receivable

The Company carries its accounts receivable at cost. As the receivable results from a recently contracted obligation, the Company believes an allowance for doubtful accounts is not necessary. On a periodic basis, the Company will evaluate its accounts receivable and determine if an allowance for doubtful accounts becomes necessary, based on a history of past write-offs and collections and current credit conditions.

The Company has not yet established a policy regarding accruing interest on trade receivables. Accounts will be written off as uncollectible when it is determined that collection will be unlikely.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F/S 9

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain amounts from prior periods have been reclassified to conform to the current period presentation. This reclassification has resulted in no changes to the Company's accumulated deficit or net losses presented.

Exploration Stage Activities

The Company has been in the exploration stage since November 8, 1993 and has no revenues from operations. The Company is primarily engaged in the acquisition and exploration of mineral properties. Should the Company locate a commercial minable reserve, the Company would expect to actively prepare the site for extraction.

Foreign Operations

The accompanying balance sheet contains Company assets in Mexico, including: \$4,334,767 of the Company's mineral properties; \$359,044 (before accumulated depreciation) of mining equipment; \$69,932 of cash; and a \$59,288 tax refund receivable. Although this country is considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations.

The Mexican government does not require foreign entities to maintain cash reserves in Mexico.

Foreign Currency Translation

Assets and liabilities of the Company's foreign operations are translated into U.S. dollars at the year-end exchange rates, and revenue and expenses are translated at the average exchange rates during the period. Exchange differences arising on translation are disclosed as a separate component of shareholders' equity. Realized gains and losses from foreign currency transactions are reflected in the results of operations.

Fair Value of Financial Instruments

The Company's financial instruments, as defined by SFAS No. 107 "Disclosures about Fair Value of Financial Instruments," include cash, advances to employee, foreign tax return receivable, investments, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at October 31, 2002.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investment in Securities

Pursuant to Statement of Financial Accounting Standards (SFAS) No. 115, the Company's investments in securities are classified as either trading, held to maturity, or available-for-sale. At October 31, 2001, the Company did own securities classified as available-for-sale, which consists of debt and equity securities. At October 31, 2002, the Company did not own any securities.

Unrealized holding gains and losses, net of tax, on securities available-for-sale are reported as a net amount in a separate component of other comprehensive income. At October 31, 2002, the Company did not have any unrealized holding gains or losses.

Gains and losses on the sale of securities available-for-sale are determined using the specific identification method and are included in earnings.

Going Concern

As shown in the accompanying financial statements, the Company has no revenues, has incurred a net loss of \$765,765 for the year ended October 31, 2002, and has an accumulated deficit of \$7,175,605. These factors indicate that the Company may be unable to continue in existence. The financial statements do not include

F/S 10

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
any adjustments related to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence. The Company's management believes that significant and imminent private placements of stock and continuing contracted agreements will generate sufficient cash for the Company to continue to operate based on current expense projections.

Concentration of Risk

The Company maintains its domestic cash in primarily one commercial bank in Coeur d'Alene, Idaho. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At October 31, 2002, the Company exceeded the insured amount by \$45,974. The Company also maintains cash in banks in Mexico. These accounts, which had U.S. dollar balances of \$69,932 at October 31, 2002, are denominated in pesos and are considered uninsured. The Company also has recorded a refund receivable at October 31, 2002 from the overpayment of Mexican property taxes. This receivable, originating from the payment of

assessed taxes on the Company's Mexican property concessions, is considered fully collectible by the Company although it is over twelve months old.

Derivative Instruments

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No.133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No.137, "Accounting for Derivative Instruments and Hedging Activities Deferral of the Effective Date of FASB No.133", and SFAS No.138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", which is effective for the Company as of January 1, 2001. This standard establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

Historically, the Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes.

In the years ended October 31, 2002 and 2001, the Company has not engaged in any transactions that would be considered derivative instruments or hedging activities.

Accounting Pronouncements

In September 2000, the FASB issued SFAS No.140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishment of liabilities and also provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. SFAS No.140 is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000, and is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The Company believes that the adoption of this standard will not have a material effect on the Company's results of operations or financial position.

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2001, the FASB issued SFAS No.141, "Business Combinations" and SFAS No.142, "Goodwill and Other Intangible Assets". SFAS No.141 provides for the elimination of the pooling-of-interests method of accounting for business combinations with an acquisition date of July 1, 2001 or later. SFAS No.142 prohibits the amortization of goodwill and other intangible assets with indefinite lives and requires periodic reassessment of the underlying value of such assets for impairment. SFAS No.142 is effective for fiscal years beginning after December 15, 2001. An early adoption provision exists for companies with fiscal years beginning after March 15, 2001. On October 31, 2001, the Company adopted SFAS No.142. Application of the non-amortization provision of SFAS No.142 is expected to result in no change in net income in fiscal 2002.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.143, "Accounting for Asset Retirement Obligations" (SFAS No.143). SFAS No.143 establishes guidelines related to the retirement of tangible long-lived assets of the Company and the associated retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived assets. This statement is effective for financial statements issued for the fiscal years beginning after June 15, 2002. The Company adopted SFAS No.143, which will not impact the financial statements of the Company at October 31, 2002.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No.144). SFAS No.144 replaces SFAS No.121, "Accounting for the Impairment of Long-Lived Assets to Be Disposed Of". This new standard establishes a single accounting model for long-lived assets to be disposed of by sale, including discontinued operations. Statement No.144 requires that these long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. This statement is effective beginning for fiscal years after December 15, 2001. The Company adopted SFAS No.144, which will not impact the financial statements of the Company at October 31, 2002.

In April 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.145, "Rescission of SFAS Statement No.44, 4, and 64, Amendment of SFAS Statement No.13, and Technical Corrections", which updates, clarifies, and simplifies existing accounting pronouncements. SFAS No.4, which required all gains

and losses from the extinguishments of debt to be aggregated and, if material, classified as an extraordinary item, net of related tax effect was rescinded. As a result, SFAS No.64, which amended SFAS NO.4, was rescinded, as it was no longer necessary. SFAS No.44, Accounting for intangible Assets of Motor Carriers, established the accounting requirements for the effects of transition to the provision of the Motor Carrier Act of 1980. Since the transition has been completed, SFAS No.44 is no longer necessary and has been rescinded. SFAS No.145 amended SFAS No.13 to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. The Company adopted SFAS No.145 and does not believe that the adoption will have a material effect on the financial statements of the Company at October 31, 2002.

In June 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS No.146). SFAS No.146 addresses significant issues regarding the recognition, measurement, and reporting of costs associated with exit and disposal activities, including restructuring activities. SFAS No.146 also addresses recognition of certain costs related to terminating a contract that is not a capital lease, costs to consolidate facilities or relocate employees, and termination benefits provided to employees that are involuntarily terminated under

F/S 12

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the terms of a one-time benefit arrangement that is not an ongoing benefit arrangement or an individual deferred-compensation contract. SFAS No.146 was issued in June 2002, effective December 31, 2002 with early adoption encouraged. The impact on the Company's financial position or results of operations from adopting SFAS No.146 has not yet been determined.

Property and Equipment

Property and equipment are recorded at cost. Major additions and improvements are capitalized. Minor replacements, maintenance, and repairs that do not increase the useful life of the assets are expensed as incurred. Depreciation of property and equipment is determined using the straight-line and accelerated methods over the expected useful lives of the assets.

Mineral Properties

Costs of acquiring mineral properties are capitalized by project area upon purchase or staking of the associated claims. Costs to maintain

the mineral rights and leases are expensed as incurred. When a property reaches the production stage, the related capitalized costs will be amortized, using the units of production method on the basis of periodic estimates of ore reserves.

Mineral properties are periodically assessed for impairment of value and any diminution in value is charged to operations at the time of impairment. Should a property be abandoned, its capitalized costs are charged to operations. The Company charges to operations the allocable portion of capitalized costs attributable to properties sold.

Capitalized costs are allocated to properties abandoned or sold based on the proportion of claims abandoned or sold to the claims remaining within the project area.

Revenue Recognition Policy

Revenues from sales of product will be recognized when the product is shipped.

Exploration Costs

In accordance with accounting principles generally accepted in the United States of America, the Company expenses exploration costs as incurred. Exploration costs expensed during the year ended October 31, 2002 were \$50,986. The exploration costs expensed during the Company's exploration stage are \$218,600.

Stock-Based Compensation

In October 1995, the Financial Accounting Standards Board issued SFAS No.123 titled "Accounting for Stock-Based Compensation". This statement encourages, but does not require, companies to recognize compensation expense for grants of stock, stock options, and other equity instruments to employees based on fair value. Transactions in equity instruments with non-employees for goods or services must be accounted for on the fair value method. The Company has adopted the fair value accounting prescribed by SFAS No.123.

Compensated Absences

The Company's policy is to recognize the cost of compensated absences when actually paid to employee. If the amount were estimateable, it would not be currently recognized, as the amount would be deemed immaterial

Provision for Taxes

At October 31, 2002, the Company had net deferred tax assets of approximately \$1,290,000, principally arising from net operating loss carry-forward for income tax purposes. As management of the Company cannot determine that it is more likely than not, that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to the net deferred tax asset has been established at

October 31, 2002.
F/S 13

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

At October 31, 2002, the Company has net operating loss carry-forward of approximately \$5,300,000, which expires in the years 2009 through 2022. The Company recognized approximately \$1,483,000 of losses from the issuance of stock options for services, which were not deductible for tax purposes. The Company has immaterial temporary differences resulting from differences in tax depreciation of equipment.

Earnings Per Share

The Company has adopted SFAS No. 128, which provides for calculation of "Basic" and "Diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share. Although there were common stock equivalents outstanding October 31, 2002, they were not included in the calculation of earnings per share because they would have been considered anti-dilutive. Common stock equivalents outstanding at October 31, 2002 and 2001 were 874,000 and 925,000 respectively.

NOTE 3 INVESTMENTS

The Company's investments are classified as available for sale securities, which are recorded at fair value in investments on the balance sheet; because of the short holding period, there was no change in fair value during the period. The Company has no securities, which are classified as trading securities. At October 31, 2002, the Company had no security investments

At October 31, 2001, the market values of investments were as follows:

Boulder Total Return Fund	\$ 200,000
Eaton Vance Senior Income Trust	200,000
Pilgrim Prime Rate Trust	75,000
Money Market Funds	9,447

	\$ 484,447

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided using the straight-line or accelerated methods over the estimated useful lives of the assets. The useful lives of property, plant, and

equipment for purposes of computing depreciation are five to seven years for equipment, and 39 years for buildings. The following is a summary of property, equipment, and accumulated depreciation:

	October 31, 2002	October 31, 2001
	-----	-----
Mining equipment	\$ 202,144	\$ 62,429
Buildings and structures	141,061	-
Vehicles	23,618	23,618
Computer equipment	80,485	78,948
Office Equipment	4,183	3,951
Furniture fixtures	8,186	5,184
Non mineral property	15,838	-
	----	----
Total assets	475,515	174,130
Less accumulated depreciation	(152,485)	(116,656)
	-----	-----
	\$ 323,030	\$ 57,474
	=====	=====

F/S 14

</table>

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 4 PROPERTY AND EQUIPMENT (continued)

On June 21, 2002, the Company authorized the purchase of property and equipment from the Mineros Nortenos Cooperativa, located at the Company's Sierra Mojada Project at La Esmeralda, Coahuila, Mexico. Total purchase price, after conversion to U.S. dollars, amounted to \$276,616, of which \$149,616 remained to be paid under the Property and Equipment Purchase Agreement. Subsequent to year-end, in December 2002, the Company paid the remaining amount due under the agreement.

Depreciation expense for the years ended October 31, 2002 and 2001 was \$35,829 and \$28,498, respectively. The Company evaluates the recoverability of property and equipment when events and circumstances indicate that such assets might be impaired. The Company determines impairment by comparing the undiscounted future cash flows estimated to be generated by these assets to their respective carrying amounts. Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The cost and related reserves of assets sold or retired are removed from the accounts, and any resulting gain or loss is reflected in results of operations.

NOTE 5 MINERAL PROPERTIES

Sierra Mojada Mining Concessions

In June of 1996, USMX (now named Dakota) and the Company entered into a

joint venture agreement, whereby the Company could acquire a 65% interest in a mining concession named the Sierra Mojada Project, located in Coahuila, Mexico. Under the terms of the agreement, the Company was to contribute two million dollars (\$2,000,000) in work commitments over the following seven years.

After the execution of the USMX agreement, Dakota's interest (35%) in the joint venture was sold to an entity, which subsequently defaulted on its joint venture obligations. This action in 1998 triggered the elimination of the joint venture and resulted in the Company assuming 100% control of the Sierra Mojada concession without the need to spend \$2,000,000 to vest its interest.

During the period August 23, 1996 to September 2, 1997, the Company executed five separate agreements for the acquisition of exploration concessions in the same mining region as the Sierra Mojada Project in Mexico. Each agreement enables the Company to explore the underlying property by paying stipulated annual payments, which shall be applied in full toward the contracted purchase price of the related concession.

During August 2000, the Company made the final payment for the first year and acquired title to the Unificacion Mineros Mortenos Concession in the Sierra Mojada Project. With this transaction, the Company has acquired title to all of its concessions at Sierra Mojada.

Under the terms of the agreements, the Company was obligated to pay and in fact did pay \$103,076 during the year ended October 31, 2001.

NOTE 6 RELATED PARTY TRANSACTIONS

The Company receives rent-free office space in Coeur d'Alene, Idaho from its president. The value of the space is not considered materially significant for financial reporting purposes. The Company also has given \$13,421 in cash advances for travel to two of its officers at October 31, 2002.

NOTE 7 PREFERRED STOCK

At its March 1, 2001 annual shareholders meeting, the Company approved a change to its articles of incorporation whereby the Company is authorized to issue 1,000,000 shares of \$0.01 par value preferred stock. The specific features of the preferred stock are to be determined by the Company's board of directors.

F/S 15

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 8 COMMON STOCK

On May 20, 2002, the Company authorized the offering of 1,000,000

common stock units, with each unit consisting of one share of common stock and one warrant equal to 1/3 of a share of common stock.

During the year ended October 31, 2002, the Company sold 162,667 common stock units with an ascribed cash value of \$229,360 for common stock, and \$14,640 for warrants. The Company also issued 50,000 shares of common stock under the Penoles agreement for cash, at \$2.00 a share (See Note 12). Additionally, 86,078 shares of common stock valued at \$104,875 were issued as compensation to officers.

During the year ended October 31, 2001, the Company issued 20,000 shares of common stock for the exercise of warrants valued at \$10,760 and cash of \$15,000. Additionally, 57,000 shares of common stock were issued for services valued at \$112,680 and cash of \$390 and 250,000 shares of common stock with 125,000 warrants attached were issued for \$500,000 in cash.

During the year ended October 31, 2000, the Company sold 1,440,500 shares of its common stock for \$3,968,625 cash, issued 120,000 shares of common stock for services valued \$153,360, issued 15,000 shares of common stock for equipment valued at \$25,000 and issued 950,000 shares of common stock for options exercised at \$0.86 per share.

During the year ended October 31, 1999, the Company sold 1,068,800 shares of common stock for \$1,075,900 cash. In addition, the Company received \$37,500 as a deposit toward the purchase of 50,000 shares (this stock was issued in December 1999) and \$300,000 for payment of subscriptions receivable. The Company also issued 55,556 shares for payment of drilling expenses valued at \$50,000.

In February 1998, 200,000 shares of common stock were issued for a mine database. The shares were valued at \$1.625 per share, resulting in a transaction valued at \$325,000. Services valued at \$22,300 were paid with 41,800 shares of common stock. An additional 1,398,500 shares of common stock were issued for \$1,065,445 cash and a subscription receivable of \$300,000, between February and October 1998.

In April 1997, 250,000 common stock shares were issued for cash of \$87,500 and 133,800 shares of common stock were issued for services valued at \$45,583. In May and June 1997, 181,600 shares of common stock were issued for \$63,560 cash and 62,500 shares of common stock were issued for services valued at \$21,875. In August and October 1997, 420,000 and 75,000 shares of common stock were issued for cash of \$378,000 and \$75,000, respectively. Additionally, during August 1997, 100,200 shares of common stock were issued for debt of \$31,530 and 95,000 shares of common stock for services valued at \$95,000.

During November 1995, Metalline Mining Company's directors approved the issuance of 45,000 shares of common stock for services rendered at \$0.01 per share. During June 1996, Metalline Mining Company issued 900,000 shares of common stock for the assignment of mineral rights in the Sierra Mojada Project in Coahuila, Mexico valued at \$0.01 per share. John Ryan, Merlin Bingham, and Daniel Gorski, who had formed a

partnership to advance development of the mining concession located in Coahuila, Mexico. The partnership had an informal joint venture agreement with USMX, Inc. covering the mining concessions. By acquiring the partnership interest, the Company was able to negotiate and sign a formal joint venture agreement with USMX in July 1996 (See Note 4).

During the year ended October 31, 1996, Metalline Mining Company issued 1,320,859 shares of common stock for \$146,359 in cash. During October 1996, the Company issued 150,000 shares of common stock for computer equipment valued at \$15,000. Also, during October 1996, the Company issued 120,000 shares of common stock to Mr. Gorski and an additional 20,000 shares of common stock to Mr. Ryan for services rendered valued at \$14,000.

F/S 16

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 8 COMMON STOCK (continued)

In January 1996, Mr. Carmen Ridland, in a private sale, sold a controlling interest in the corporation to Mr. Howard Crosby. On January 12, 1996, Mr. Ridland transferred control of Cadgie Co. to Mr. Crosby and Mr. Robert Jorgensen.

On August 4, 1995, the directors of Cadgie Co. declared a 3:1 forward stock split of the outstanding Cadgie Co. shares, thus increasing the number of outstanding shares from 192,160 to 576,480.

On August 31, 1994, the directors of Cadgie Co. declared a 1:5 reverse stock split of the outstanding Cadgie Co. shares, thus reducing the number of outstanding shares from 960,800 to 192,160 shares.

The Company (Cadgie Co.) was formed in August of 1993 and incorporated in November 1993 by Mr. Carman Ridland of Las Vegas, Nevada as a spin-off from its predecessor, Precious Metal Mines, Inc. The Company issued 960,800 of its \$0.01 par value shares to Precious Metal Mines, Inc. for 16 unpatented mining claims located near Philipsburg, Montana comprising the Kadex property group. Precious Metal Mines, Inc. distributed the 960,800 shares of Cadgie Company to its shareholders. One share of Cadgie Co. was exchanged for each share of Precious Metal Mines, Inc. held by holders of record as of August 31, 1993.

NOTE 9 STOCK OPTIONS

Following is a summary of the stock options during the years ending October 31, 2002 and 2001:

<table>
<caption>

Number Of Shares	Weighted Average Exercise Price
---------------------	--

<code><s></code>	<code><c></code>	<code><c></code>
Outstanding at 11/01/00	-	\$ -
Granted	720,000	1.73
Exercised	-	-
Forfeited	-	-
Expired	-	-

Outstanding at 10/31/01	720,000	\$ 1.73
=====		
Options exercisable at 10/31/01	720,000	
=====		
Outstanding at 11/01/01	720,000	\$ 1.73
Granted	100,000	1.25
Exercised	-	-
Forfeited	-	-
Expired	-	-

Outstanding at 10/31/02	820,000	\$ 1.67
=====		
Weighted average fair value of options granted during 2002	\$ 0.61	
=====		
Options exercisable at 10/31/02	820,000	
=====		

`</table>`

In 2002, the Company granted 100,000 options with an exercise price of \$1.25 and an expiration of seven years. The fair value of these options was determined using the Black-Scholes option pricing model using a risk free interest rate of 3.25% and a volatility of 42.49%. The total value was calculated at \$61,000.

On March 1, 2001, the Company's shareholders approved a qualified stock option plan. The number of shares eligible for issuance under the qualified stock option plan is to be determined by the Company's board of directors.

F/S 17

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2002

NOTE 9 STOCK OPTIONS (continued)

The Company granted 720,000 options with exercise prices ranging from \$1.32 to \$2.15 and expirations at various dates through 2010. The fair value of each option is estimated on the issue date using the Black-Scholes Option Price Calculation. The following assumptions were made in estimating fair value: risk free interest 5%, volatility is 50% and expected life is 5 to 9 years. Consulting expenses recognized for these options were \$740,892 for the year ended October 31, 2001.

NOTE 10 WARRANTS

During the year ended October 31, 2002, the Company issued 162,667 common stock units that were made up of 162,667 shares of common stock and warrants to purchase an additional 54,222 shares of common stock. As part of the total cash purchase, the warrants ha a value of \$14,640.

During the year ended October 31, 2001, the Company issued 250,000 shares of stock with 125,000 warrants attached. These warrants were valued at \$3,424. Additionally 20,000 warrants were exercised for \$15,000 in cash and services valued at \$10,760. The Company also issued 80,000 warrants for services, which were valued at \$144,791.

At October 31, 2000, there were outstanding warrants to purchase 996,500 shares of the Company's common stock, at prices ranging from \$0.75 to \$2.00 per share. The warrants, which became exercisable in 1999, but have not been exercised, expire at various dates through 2005. The Company has reserved 996,500 shares for the expected exercise of these warrants. These warrants are valued at \$543,980 using the method described below.

The fair value of each warrant is estimated on the issue date using the Black-Scholes Option Price Calculation. The following assumptions were made in estimating fair value: risk free interest of 5%, volatility of 0.3 and 0.5 and expected life of 5 to 10 years. Consulting expenses recognized for these warrants were \$144,791 for the fiscal year ended October 31, 2001.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Compliance with Environmental Regulations

The Company's mining activities are subject to laws and regulations controlling not only the exploration and mining of mineral properties, but also the effect of such activities on the environment. Compliance with such laws and regulations may necessitate additional capital outlays, affect the economics of a project, and cause changes or delays in the Company's activities.

NOTE 12 JOINT VENTURE AGREEMENT

On November 15, 2001, the Company entered into an agreement with Compania Minera La Parrena S.A. de C.V. ("Penoles") whereby Penoles may earn the right to acquire a 60% share interest in certain mining concessions located in the Sierra Mojada region of Coahuila, Mexico. The earn-in right is contingent upon the following: delivery by Penoles within four years of a pre-feasibility study, completion by Penoles of \$1,000,000 of qualified expenditures on the aforementioned mining concessions, and Penoles purchase of up to 250,000 shares of Metalline's common stock at \$2.00 per share. As of October 31, 2002, Penoles had purchased 50,000 shares of common stock under this agreement (See Note 8).

During the year ended October 31, 2002, the Company received

reimbursement of \$166,648 from Penoles for expenses incurred by Metalline, which were applied toward an aggregate \$229,149 of qualified expenditures incurred by Penoles

F/S 18

METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
Notes to the Financial Statements
October 31, 2002

NOTE 12 JOINT VENTURE AGREEMENT (continued)

On October 7, 1999, the Company announced that it entered into a five-year "earn-in" type of a joint venture agreement with North Limited. The agreement gives North Limited the right to earn into 60% of the Company's Sierra Mojada Project by providing all funds necessary to complete a feasibility study delivered in no more than five years that is acceptable to international banking institutions for lending development capital. North Limited is a large Australian mining company based in Melbourne, Australia and was known as North Broken Hill Peko before a name change in 1994. In August 2000, Rio Tinto Limited purchased North Limited for its iron ore holdings and subsequently terminated its agreement with the Company.

NOTE 13 SUBSEQUENT EVENTS

In November 2002, the Company issued an additional 100,000 common stock shares at \$2.00 per share.

Legal Contingencies

In December 2002, Minera Metalin, the Company's Mexican subsidiary, has been named as co-defendant in a lawsuit filed in Mexico regarding the Company's purchase of two mining concessions. Any potential liability resulting from the lawsuit would be directed against the other named defendant, and according to the Company's legal counsel, the chance of an adverse judgment for Metalin is negligible.

[The balance of this page has been intentionally left blank.]

F/S 19

</page>

<page>

METALLINE MINING COMPANY
AN EXPLORATION STAGE COMPANY
OCTOBER 31, 2002

SIGNATURES

In accordance with Section 12, 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

METALLINE MINING COMPANY

BY: /s/ Merlin Bingham

4. The registrant's other certifying officer and I, are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 28, 2003

/s/ Merlin D. Bingham

President

METALLINE MINING COMPANY
AN EXPLORATION STAGE COMPANY
OCTOBER 31, 2002

CERTIFICATIONS

I, Wayne L. Schoonmaker , certify that:

1. I have reviewed this annual report on Form 10-KSB of Metalline Mining Company.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I, are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in

internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 28, 2003

/s/ Wayne L. Schoonmaker

Principal Accounting Officer

</page>

<page>

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Metalline Mining Company (the "Company") on Form 10-KSB for the period ended October 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Merlin D. Bingham, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

/s/ Merlin D. Bingham

President

Dated: January 28, 2003

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Metalline Mining Company (the "Company") on Form 10-KSB for the period ended October 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wayne L. Schoonmaker, Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all

material respects, the financial condition, and results of operations of the Company.

/s/ Wayne L. Schoonmaker

Principal Accounting Officer

Dated: January 28, 2003

</TEXT>

</DOCUMENT>