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President's Letter to Metalline Mining Company Shareholders

Metalline Mining Company, (Amex: MMG), Coeur d'Alene, Idaho. The objective of this letter is to provide an update to our shareholders regarding the activity and progress during 2008 at Metalline's Sierra Mojada Project, Coahuila, Mexico. As previously announced the mining method has changed from an underground to an open pit method. The surface dimensions of the baseline model for an open pit to exploit the oxide zinc mineralization is approximately 2000 meters in an east-west direction and 700 to 900 meters in a north-south direction. Evaluation of this open pit volume will be accomplished by both surface and underground drilling of both the oxide zinc and the polymetallic mineralization and any mineralization above the known mineralization to the surface. At present mineralization is reasonably well defined between about the 1200 meter and 1350 meter elevations. Mineralization above the 1350 meter elevation to surface is poorly known. Any mineralization defined in this interval will improve the open pit strip ratio. The strip ratio is the ratio of mined ore to mined waste, and improving this ratio (increasing ore relative to waste) improves the economics of open pit mining. The Lead Manto horizon is known to be present above the 1350 elevation and is also known to contain oxide zinc mineralization. In addition polymetallic mineralization is known to be present above the 1350 elevation. The volume of the open pit model contains a mixture of waste rock and mineralized material that totals approximately 500 million tonnes. It could increase in size as work progresses and the limits of mineralization are defined.

The Sierra Mojada Project is a polymetallic, many metal, project. In addition to the oxide zinc mineralized material the open pit mine, as currently understood, will produce, silver, copper, zinc and lead. Some of this will be produced as sulfide minerals which are amenable to processing using conventional metallurgical methods. An additional objective of the work in progress is to provide data to better understand the ratio and distribution of sulfide versus oxide mineralization and the related engineering issues.

Since defining a resource estimate for the oxide zinc mineralization the majority of the drilling and sampling has been concentrated on defining a resource for the polymetallic mineralization within the open pit mine volume. Work on the polymetallic mineralization dates back to the first work done by Metalline in the district from 1996 through 1999. During this period about 20,000 meters of drilling and channel sampling was completed. From 1999 to 2004 work was restricted to defining a resource in the oxide zinc mineralization and a feasibility study was initiated on this resource which has

resulted in the current open pit mine plan. Emphasis now is the systematic drilling of the open pit volume. During 2008 19,620 meters of surface and underground drilling was completed. Underground drilling totaled 11,813 meters, almost all of which was done on polymetallic targets north of the Sierra Mojada Fault. Surface drilling totaled 7,807 meters and was a mixture of north and south side mineral targets, including Lead Manto targets and is the start of systematic drilling of the open pit volume.

A resource block model on the open pit volume mineralized material is being continued by Pincock Allen & Holt.

The current lack of a speculative equity market and the massive de-leveraging and liquidation by investors has created a market that is a challenge to operate in. We believe this lack of liquidity will have a very beneficial result for projects that have a known resource and could come to production in the next 3 to 5 years as new discovery, the metal industry's primary need, has been further delayed. For the next 5 to 10 years and beyond, mine reserve depletion, for most all metals, will likely exceed discovery and reserve replacement by a very large amount. Between 2010 and 2015 we believe at least 19% of annual zinc production will be lost due to resource depletion. This loss of 2 million tonnes of annual production includes Century, the second largest zinc mine (600,000 tonnes), and Skorpion, one of the more recent zinc mines to come to production. There are few known projects to fill this need, and some low grade projects that have recently come on-line are likely to fail if extremely low metal prices continue for long.

Metalline management is considering all options available to ensure that the project continues to progress. These include possibly exploring additional equity funding, joint venture, strategic partner and smelter and metal trading companies willing to fund projects for a commitment of product.

We realize 2009 will likely be a challenging year. We thank all of our shareholders for their continued support and wish you all a Happy and Rewarding New Year. We look forward to getting a year closer to a producing mine. Although it is, indeed, a long road, the reward appears increasingly attractive.

Merlin Bingham
President

Forward-Looking Statements

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

identify such forward-looking statements. In addition, any statements that refer to projections of Metalline's future financial performance, Metalline's anticipated growth and potentials in its business and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified elsewhere herein and Metalline's Annual Report on Form 10-KSB for the fiscal year ended October 31, 2007 under "Risk Factors." Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Metalline undertakes no obligation to revise or update any forward-looking statements for any reason.