

METALLINE MINING CO

Form PRE 14A

August 03, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

METALLINE MINING COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**METALLINE MINING COMPANY**

1330 E. Margaret Avenue  
Coeur d Alene, Idaho 83815

August 20, 2007

To Our Shareholders:

You are cordially invited to the Annual Meeting of Shareholders (the Meeting ) of Metalline (the Company ) to be held at the offices of our corporate counsel, Burns, Figa & Will, P.C., 6400 South Fiddlers Green Circle, Suite 1000, Greenwood Village, Colorado 80111 on Friday, September 21, 2007 at 10:00 a.m. local time.

The formal Notice of the Meeting and Proxy Statement describing the matters to be acted upon at the Meeting are contained in the following pages. Shareholders also are entitled to vote on any other matters which properly come before the Meeting.

Enclosed is a proxy which will enable you to vote your shares on the matters to be considered at the Meeting even if you are unable to attend the Meeting. Please mark the proxy to indicate your vote, date and sign the proxy and return it in the enclosed envelope as soon as possible for receipt prior to the Meeting.

**WHETHER YOU OWN FEW OR MANY SHARES OF STOCK, PLEASE BE SURE YOU ARE REPRESENTED AT THE MEETING EITHER BY ATTENDING IN PERSON OR BY RETURNING YOUR PROXY AS SOON AS POSSIBLE.**

Sincerely,

Merlin Bingham, President

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**METALLINE MINING COMPANY**  
1330 E. Margaret Avenue  
Coeur d Alene, Idaho 83815  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON SEPTEMBER 21, 2007**

August 20, 2007

To the Shareholders of Metalline Mining Company:

The Annual Meeting of Shareholders (the Meeting ) of Metalline Mining Company, a Nevada corporation (the Company ) will be held at the offices of our corporate counsel, Burns, Figa & Will, P.C., 6400 South Fiddlers Green Circle, Suite 1000, Greenwood Village, Colorado, 80111 on Friday, September 21, 2007 at 10:00 a.m. local time, for the purpose of considering and voting upon proposals to:

1. Elect four directors to serve until the next annual meeting of shareholders or until their successors are elected and qualified.
2. Approve the Shareholders Rights Agreement previously adopted by the Board on June 11, 2007.
3. Transact such other business as may lawfully come before the Meeting or any adjournment(s) thereof.

The Board of Directors is not aware of any other business to come before the Meeting. Pursuant to the Company s Bylaws, the Board of Directors has fixed the close of business on Thursday, August 2, 2007 as the record date for determination of the shareholders entitled to vote at the Meeting and any adjournments thereof.

You are requested to complete and sign the enclosed proxy which is solicited by the Board of Directors and to return it promptly in the enclosed envelope. The proxy will not be used if you attend the Meeting and vote in person.

EACH SHAREHOLDER, WHETHER OR NOT HE PLANS TO ATTEND THE MEETING, IS REQUESTED TO COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD. ANY PROXY GIVEN BY THE SHAREHOLDER MAY BE REVOKED BY FILING WITH THE SECRETARY OF THE COMPANY A WRITTEN REVOCATION OR A DULY EXECUTED PROXY BEARING A LATER DATE. ANY SHAREHOLDER PRESENT AT THE MEETING MAY REVOKE HIS PROXY AND VOTE IN PERSON ON EACH MATTER BROUGHT BEFORE THE MEETING. HOWEVER, IF YOU ARE A SHAREHOLDER WHOSE SHARES ARE NOT REGISTERED IN YOUR OWN NAME, YOU WILL NEED ADDITIONAL DOCUMENTATION FROM YOUR RECORD HOLDER TO VOTE IN PERSON AT THE MEETING.

BY ORDER OF THE BOARD OF  
DIRECTORS,

Merlin Bingham, President

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**METALLINE MINING COMPANY**  
1330 E. Margaret Avenue  
Coeur d Alene, Idaho 83815  
**PROXY STATEMENT**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**SEPTEMBER 21, 2007**

August 20, 2007

To Our Shareholders:

This proxy statement (the **Proxy Statement** ) is furnished in connection with the solicitation by the Board of Directors of Metalline Mining Company (the **Company** ) of proxies to be used at the Annual Meeting of Shareholders (the **Meeting** ) to be held at the offices of our corporate counsel, Burns, Figa & Will, P.C., 6400 South Fiddlers Green Circle, Suite 1000, Greenwood Village, Colorado, 80111 on Friday, September 21, 2007, at 10:00 a.m. local time, and at any adjournments or postponements thereof. The Meeting is being held for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. This Proxy Statement, the accompanying proxy card and the Notice of Annual Meeting of Shareholders (collectively, the **Proxy Materials** ) are first being mailed to shareholders beginning on or about August 20, 2007.

**GENERAL INFORMATION**

**Solicitation**

The enclosed proxy is being solicited by the Company's Board of Directors. The costs of the solicitation will be borne by the Company. Proxies may be solicited personally or by mail, telephone, facsimile or telegraph by directors, officers and regular employees of the Company, none of whom will receive any additional compensation for such solicitations. The Company will reimburse banks, brokers, nominees, custodians and fiduciaries for their reasonable out-of-pocket expenses incurred in sending the proxy materials to beneficial owners of the shares.

**Voting Rights and Votes Required**

Holders of shares of Metalline Mining Company common stock (the **Common Stock** ), at the close of business on Thursday, August 2, 2007 (the **Record Date** ) are entitled to notice of, and to vote at, the Meeting. On the Record Date, 38,623,103 shares of Common Stock were outstanding. Holders of Common Stock are entitled to one vote per share.

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The presence, in person or by proxy, of holders of one-third of the shares outstanding as of the Record Date constitutes a quorum for the transaction of business at the Meeting. In the event there are not sufficient votes for a quorum or to approve any proposals at the time of the Meeting, the Meeting may be adjourned in order to permit further solicitation of proxies. Abstentions will count towards quorum requirements.

As to the election of directors under Proposal One, the proxy card being provided by the Board enables a shareholder to vote for the election of each of the nominees proposed by the Board, or to withhold authority to vote for one or more of the nominees being proposed. Directors are elected by a plurality of votes cast, without respect to either (i) broker non-votes, or (ii) proxies as to which authority to vote for one or more of the other nominees being proposed is withheld.

With respect to Proposal Two, the affirmative vote of a majority of the votes cast in person or by proxy is required to approve the proposal. A shareholder may: (i) vote FOR the proposal, (ii) vote AGAINST the proposal, or (iii) ABSTAIN with respect to the proposal. Proposal Two shall be determined without regard to broker non-votes or proxies marked ABSTAIN as to each matter.

The proposed corporate actions on which the shareholders are being asked to vote are not corporate actions for which shareholders of a Nevada corporation have the right to dissent under the Nevada General Corporation Law.

Shares of Common Stock represented by all properly executed proxies received at the Company's transfer agent by Tuesday September 18, 2007 will be voted as specified in the proxy. Unless contrary instructions are indicated on the proxy, the shares of Common Stock represented by such proxy will be voted FOR the slate of directors described herein; and FOR Proposal Two as described herein. Management and the Board of Directors of the Company know of no other matters to be brought before the Meeting other than as described herein. If any other matters are properly presented to the shareholders for action at the Meeting and any adjournments or postponements thereof, the proxy holder named in the enclosed proxy intends to vote in his discretion on all matters on which the shares of Common Stock represented by such proxy are entitled to vote.

The giving of the enclosed proxy does not preclude the right to vote in person should the shareholder giving the proxy so desire. A proxy may be revoked at any time prior to its exercise by (i) providing notice in writing to the Company's corporate secretary that the proxy is revoked; (ii) presenting to the Company a later-dated proxy; or (iii) by attending the Meeting and voting in person.



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**SECURITY OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

**Security Ownership of Certain Beneficial Owners**

The number of shares outstanding of the Company's common stock at Thursday August 2, 2007, was 38,623,103. The following table sets forth the beneficial ownership of the Company's Common Stock as of August 2, 2007 by each person (other than the Directors and Executive Officers of the Company) who owned of record, or was known to own beneficially, more than 5% of the outstanding voting shares of Common Stock. To the knowledge of the Directors and Executive Officers of the Company, as of August 2 2007, there are no persons and/or companies who or which beneficially own, directly or indirectly, shares carrying more than 5% of the voting rights attached to all outstanding shares of the Company, other than as set forth below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Common Stock
Duncan Hsia 3909 Harvest Knoll Drive Richardson, TX 75082	2,647,328 <sup>(1)</sup>	6.9%
John C. Barrett 2436 N. Fed. Hwy #366 Lighthouse Point, FL 33064	3,376,800 <sup>(2)</sup>	8.8%
Steven Carlitz 1411 Aster Lane Cupertino, CA 95014	2,520,931 <sup>(3)</sup>	6.7%
(1) Includes: (i) warrants to acquire 832,950 shares of common stock held by Duncan Hsia Roth IRA and Duncan Hsia Revocable Living Trust; (ii) warrants to acquire 480,000 shares of common stock held by Mr. Hsia's spouse; (ii) warrants to acquire 143,250 shares of common stock held by Mr. Hsia's children.		

- (2) Includes warrants to acquire 1,465,000 shares of common stock held by John C. Barrett and John C Barrett Revocable Trust.
  
- (3) Includes warrants to acquire 967,000 shares of common stock.

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The following table sets forth the beneficial ownership of the Company's Common Stock as of August 2, 2007 by each Director and each Named Executive Officer of the Company, by all Directors and Executive Officers as a group.

Name and Address of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Percent of Common Stock
Merlin D. Bingham 1330 E. Margaret Avenue Coeur d'Alene, ID 83815	President and Director	2,345,639 <sup>(1)</sup>	5.9%
Roger Kolvoord 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	Vice President-Business and Director	1,110,406 <sup>(2)</sup>	2.8%
Wesley Pomeroy 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	Director	568,000 <sup>(3)</sup>	1.4%
Robert Kramer 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	Director	556,250 <sup>(4)</sup>	1.4%
Robert Devers 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	Chief Financial Officer	(5)	*
Terry Brown 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	Vice President-Operations	312,500 <sup>(6)</sup>	*
All current directors and executive officers as a group (six persons)		4,892,795 <sup>(7)</sup>	11.8%

\* Indicates less than one percent.

(1) Includes:  
(i) vested options to acquire 1,000,000 shares of common stock;  
and (ii) warrants to acquire

50,000 shares of  
common stock.

(2) Includes vested  
options to  
acquire 750,000  
shares of  
common stock.

(3) Includes:  
(i) vested  
options to  
acquire 250,000  
shares of  
common stock;  
(ii) warrants to  
acquire 150,000  
shares of  
common stock;  
and (iii) 9,000  
shares of  
common stock  
that accrued on  
July 31, 2007,  
but the stock  
certificates are  
not yet issued.

(4) Includes:  
(i) vested  
options to  
acquire 500,000  
shares of  
common stock;  
(ii) warrants to  
acquire 17,250  
shares of  
common stock;  
and (iii) 9,000  
shares of  
common stock  
that accrued on  
July 31, 2007,  
but the stock  
certificates are  
not yet issued.

(5) Excludes  
unvested  
options to  
acquire:

- (i) 50,000 shares of common stock on October 31, 2007;
  - (ii) 100,000 shares of common stock on October 31, 2008; and
  - (iii) 100,000 shares of common stock on October 31, 2009.
- (6) Includes vested options to acquire 260,000 shares of common stock.
- (7) Includes securities as reflected in footnotes 1 to 6.

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None.

**MANAGEMENT**

Executive officers of the Company are elected by the Board of Directors, and serve for a term of one year and until their successors have been elected and qualified or until their earlier resignation or removal by the Board of Directors. There are no family relationships among any of the directors and executive officers of the Company. None of the executive officers or directors has been involved in any legal proceedings during the past five years.

The following table sets forth the names and ages of all executive officers and directors and the positions and offices that each person holds with the Company as of August 2, 2007:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Merlin Bingham	73	President, Director and Chairman of the Board
Roger Kolvoord	67	Vice President Business and Director
Robert Devers	44	Chief Financial Officer
Terry Brown	47	Vice President-Operations
Robert Kramer*	61	Director
Wesley Pomeroy*	53	Director

\* Messrs. Kramer and Pomeroy are each independent as that term is defined in Section 121A of the American Stock Exchange listing standards and in Item 407(a) of Regulation S-B.

Merlin Bingham has been the President and Chairman of the Board of Directors of the Company since October 1996. 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. From 1983 to 1996, Mr. Bingham has been a consulting geologist. Mr. Bingham received a B.S. degree in Mineralogy from the University of Utah in 1963

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Dr. Roger Kolvoord has been a director of the Company since August 2002 and was appointed Vice President, Business in April 2003. 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. Dr. Kolvoord is an active member of the American Association of Petroleum Geologists and the Society of Mining Engineers. He resides in the Puget Sound region of Washington.

Robert Devers was appointed as our Chief Financial Officer in June 2007. Mr. Devers was previously Senior Director Financial Analysis and Internal Audit of The Broe Companies Inc. since March 2004. From June 2001 to December 2003, Mr. Devers was Vice President Finance of NAREX Inc. and from September 2000 to June 2001, Mr. Devers was Controller. From May 1994 to March 2000, Mr. Devers was Corporate Controller of Wireless Broadcasting Systems of America Inc. He has also served as a corporate officer and financial executive for other privately-held and publicly traded companies. Mr. Devers received his Bachelors degree in Accounting from Western State College in Gunnison, Colorado and is a Certified Public Accountant.

Terry Brown was appointed Vice President-Operations in September 2005. Mr. Brown has 22 years experience in the mining industry in the United States, Mexico and Chile and has most recently been active as a consulting geologist in Mexico. His background is in exploration and project management, mine development and feasibility studies, and mining operations. Mr. Brown is a Certified Professional Geologist and is a member of the American Institute of Professional Geologists and the Society of Economic Geologists. He received a Bachelor of Science degree in geology from the New Mexico Institute of Mining & Technology in 1983. Mr. Brown resides in Chihuahua, Mexico.

Robert Kramer was elected to the Board of Directors in July 2006. Mr. Kramer is the co-founder and Chief Executive Officer of Current Technology Corporation (OTCBB:CRTCF). The company was formed in 1987 to research, develop and commercialize electrotherapeutic products for the treatment of hair loss. An entrepreneur by nature, with a particular interest in the financial sector, he has been a founder/principal of a number of private companies offering commercial mortgages, venture capital and tax driven investments. Prior to co-founding Current Technology, he was a joint venture partner in an enterprise that raised funding for approximately 20 public mining companies conducting exploration activities in Western Canada. A graduate of the University of California, Berkeley with a degree in economics, Mr. Kramer has been a member of the Canadian Institute of Chartered Accountants and the Institute of Chartered Accountants of British Columbia for over 30 years. Mr. Kramer is a Registered Certified Public Accountant in the State of Illinois. In 2005 he was admitted as a Fellow to The Institute of Chartered Securities and Administrators.

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Wesley Pomeroy was appointed to the Board of Directors in September 2005. Mr. Pomeroy is currently President of The Joe Dandy Mining Company, which has had gold properties in Cripple Creek, Colorado since 1887. He is a member of the Front Range Oil and Gas LLC and the POMOCO LLC (Pomeroy Oil Company). He is also currently a consulting geologist with Vortex Petroleum Inc. and has been associated since 1977 with various exploration and oil and gas companies. Also since 1977 Mr. Pomeroy has been a member in good standing of the American Association of Petroleum Geologists and the Rocky Mountain Association of Geologists. Mr. Pomeroy received a Bachelor of Science degree in geology from Colorado State University in 1977 and an MBA from the University of Colorado in 1990. Mr. Pomeroy is a registered Professional Geologist for the State of Wyoming. He resides in the Denver, Colorado area.

**Transactions with Related Persons**

As of the Company's last fiscal year, none of the directors or executive officers of the Company, nor any person who owned of record or was known to own beneficially more than 5% of the Company's outstanding shares of its Common Stock, nor any associate or affiliate of such persons or companies, has any material interest, direct or indirect, in any transaction, or in any proposed transaction, which has materially affected or will affect the Company.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's Officers and Directors and persons who own more than 10% of the Company's outstanding Common Stock to file reports of ownership with the Securities and Exchange Commission (SEC). Directors, officers, and greater than 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of Forms 3, 4, and 5 and amendments thereto furnished to the Company during and for the Company's year ended October 31, 2006, and as of August 2, 2007 there were no directors, officers or more than 10% stockholders of the Company who failed to timely file a Form 3, 4 or 5, other than Merlin Bingham (as to one transaction on one Form 4), Roger Kolvoord (as to one transaction on one Form 4), Terry Brown (as to one transaction on one Form 4), Robert Kramer (as to one transaction on one Form 4) and Wesley Pomeroy (as to thirteen transactions on two Forms 4).

**Independence of the Board of Directors**

Our Board of Directors currently includes the following two independent directors: Robert Kramer and Wesley Pomeroy. Messrs. Kramer and Pomeroy are currently nominees for directors. The Company defines "independent" as that term is defined in Section 121A of the American Stock Exchange listing standards and in Item 407(a) of Regulation S-B. Messrs. Kramer and Pomeroy qualify as independent and none has any material relationship with the Company that might interfere with his exercise of independent judgment.



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**Meetings of the Board and Committees**

**Board of Directors**

The Company's Board of Directors held thirteen meetings during the Company's year ended October 31, 2006, and ten additional meetings through August 2, 2007. Such meetings consisted of unanimous consent Directors' minutes signed by all Directors and actual meetings at which all of the Directors were present in person or by telephone. The Company does not have a formal policy with regard to board members' attendance at annual meetings, but encourages them to attend shareholder meetings.

**Audit Committee**

The Company has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The following persons serve on our audit committee: Wesley Pomeroy and Robert Kramer. Mr. Pomeroy and Mr. Kramer are each independent as that term is defined in Section 121A of the American Stock Exchange listing standards and in Item 407(a) of Regulation S-B. Mr. Kramer is the financial expert for the audit committee. See Management for information about Mr. Kramer's relevant experience.

The Audit Committee was formed on May 1, 2006 and therefore held only one meeting by unanimous written consent during the year ended October 31, 2006. However, the Audit Committee has held three formal meetings during the current fiscal year. All of the members attended the meeting in person or by telephone. The Board of Directors has adopted a written charter for the Audit Committee. The audit committee charter is available on our website at [www.metalin.com](http://www.metalin.com).

The following constitutes the report the Audit Committee has made to the Board of Directors and, when read in connection with the Audit Committee Charter, generally describes the functions performed by the audit committee:

**REPORT OF THE AUDIT COMMITTEE**

To the Board of Directors of Metalline Mining Company

Management is responsible for our internal controls and the financial reporting process. The independent accountants are responsible for performing an independent audit of our financial statements in accordance with generally accepted auditing standards and to issue a report on our financial statements. Our responsibility is to monitor and oversee those processes. We hereby report to the Board of Directors that, in connection with the financial statements for the year ended October 31, 2006, we have:

reviewed and discussed the audited financial statements with management and the independent accountants;  
discussed with the independent accountants the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU section 380), as modified by SAS 89 and SAS 90; and

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received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), as may be modified or supplemented, and discussed with the independent accountant the accountant's independence.

Based on the discussions and our review described above, we recommended to the Board of Directors that the audited financial statements for the year ended October 31, 2006 be included in the Company's Annual Report on Form 10-KSB for the Year Ended October 31, 2006 which is being provided contemporaneously with this Proxy Statement.

Respectfully submitted,

The Audit Committee of Metalline Mining Company

Robert Kramer, Chair

Wesley Pomeroy, Member

**Compensation Committee**

The Company's Compensation Committee consists of: Wesley Pomeroy (who serves as Chair of the Committee) and Robert Kramer. The Compensation Committee was formed on May 1, 2006 and therefore held no meetings during the year ended October 31, 2006. However, the Compensation Committee has held two meetings by written consent during the current fiscal year.

Duties of the Compensation Committee include reviewing and making recommendations regarding compensation of executive officers and determining the need for and the appropriateness of employment agreements for senior executives. This includes the responsibility: (1) to determine, review and approve on an annual basis the corporate goals and objectives with respect to compensation for the senior executives; and (2) to evaluate at least once a year the performance of the senior executives in light of the established goals and objectives and, based upon these evaluations, to determine the annual compensation for each, including salary, bonus, incentive and equity compensation. The Compensation Committee has authority to retain such compensation consultants, outside counsel and other advisors as the Committee in its sole discretion deems appropriate. The Committee may also invite the Senior Executives and other members of management to participate in their deliberations, or to provide information to the Committee for its consideration with respect to such deliberations, except that: the chief executive officer may not be present for the deliberation of or the voting on compensation for the chief executive officer. The chief executive officer may, however, be present for the deliberation of or the voting on compensation for any other officer.

The Compensation Committee also has the authority and responsibility: (1) to review the fees paid to independent directors for service on the board of directors and its committees, and make recommendations to the board with respect thereto; and (2) to review Metalline's incentive compensation and other stock-based plans and recommend changes in such plans to the board as needed.

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Our Compensation Committee's charter was adopted by the Board of Directors on May 1, 2006 and amended on December 5, 2006. The charter is available on our web site at [www.metalin.com](http://www.metalin.com).

**Nominating Committee**

The Company's Nominating Committee consists of: Wesley Pomeroy (who serves as Chair of the Committee) and Robert Kramer. Duties of the Nominating Committee include oversight of the process by which individuals may be nominated to our Board of Directors. Our Nominating Committee's charter was adopted by the Board of Directors on May 1, 2006 and amended on July 7, 2006, and is available on our web site at [www.metalin.com](http://www.metalin.com).

The functions performed by the Nominating Committee include identifying potential directors and making recommendations as to the size, functions and composition of the Board and its committees. In making nominations, our Nominating Committee is required to submit candidates who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other Nominees to the board, in collectively serving the long-term interests of the shareholders.

The Nominating Committee considers nominees proposed by our shareholders. To recommend a prospective nominee for the Nominating Committee's consideration, you may submit the candidate's name by delivering notice in writing to Metalline Mining Company, c/o Burns, Figa and Will, P.C., 6400 S. Fiddlers Green Circle, Suite 1000, Greenwood Village, CO 80111.

A shareholder nomination submitted to the Nominating Committee must include at least the following information (and can include such other information the person submitting the recommendation desires to include), and must be submitted to the Company by the date mentioned in the most recent proxy statement under the heading "Proposal From Shareholders" as such date may be amended in cases where the annual meeting has been changed as contemplated in SEC Rule 14a-8(e), Question 5:

- (i). The name, address, telephone number, fax number and e-mail address of the person submitting the recommendation;
- (ii). The number of shares and description of the Company voting securities held by the person submitting the nomination and whether such person is holding the shares through a brokerage account (and if so, the name of the broker-dealer) or directly;
- (iii). The name, address, telephone number, fax number and e-mail address of the person being recommended to the nominating committee to stand for election at the next annual meeting (the proposed nominee) together with information regarding such person's education (including degrees obtained and dates), business experience during the past ten years, professional affiliations during the past ten years, and other relevant information.

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- (iv). Information regarding any family relationships of the proposed nominee as required by Item 401(d) of SEC Regulation S-K.
- (v). Information whether the proposed nominee or the person submitting the recommendation has (within the ten years prior to the recommendation) been involved in legal proceedings of the type described in Item 401(f) of SEC Regulation S-K (and if so, provide the information regarding those legal proceedings required by Item 401(f) of Regulation S-K).
- (vi). Information regarding the share ownership of the proposed nominee required by Item 403 of Regulation S-K.
- (vii). Information regarding certain relationships and related party transactions of the proposed nominee as required by Item 404 of Regulation S-K.
- (viii). The signed consent of the proposed nominee in which he or she: (a) consents to being nominated as a director of the Company if selected by the nominating committee; (b) states his or her willingness to serve as a director if elected for compensation not greater than that described in the most recent proxy statement; (c) states whether the proposed nominee is independent as defined by Section 121A of the American Stock Exchange Company Guide; and (d) attests to the accuracy of the information submitted pursuant to paragraphs (i) through (vii), above.

Although the information may be submitted by fax, e-mail, mail, or courier, the nominating committee must receive the proposed nominee's signed consent, in original form, within ten days of making the nomination.

When the information required above has been received, the Nominating Committee will evaluate the proposed nominee based on the criteria described below, with the principal criteria being the needs of the Company and the qualifications of such proposed nominee to fulfill those needs.

The process for evaluating a director nominee is the same whether a nominee is recommended by a shareholder or by an existing officer or director. The Nominating Committee will:

- (1) Establish criteria for selection of potential directors, taking into consideration the following attributes which are desirable for a member of our Board of Directors: leadership; independence; interpersonal skills; financial acumen; business experiences; industry knowledge; and diversity of viewpoints. The Nominating Committee will periodically assess the criteria to ensure it is consistent with best practices and the goals of the Company.

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- (2) Identify individuals who satisfy the criteria for selection to the Board and, after consultation with the Chairman of the Board, make recommendations to the Board on new candidates for Board membership.
- (3) Receive and evaluate nominations for Board membership which are recommended by existing directors, corporate officers, or shareholders in accordance with policies set by the Nominating Committee and applicable laws.

The Nominating Committee was formed on May 1, 2006 and held one meeting by unanimous written consent during the year ended October 31, 2006, and has taken action by unanimous consent once during the current fiscal year. On July 31, 2007, by unanimous consent the Nominating Committee nominated Merlin Bingham, Roger Kolvoord, Robert Kramer and Wesley Pomeroy then serving on our board of directors to stand for reelection. The Company has not engaged the services of or paid a fee to any third party or parties to identify or evaluate or assist in identifying or evaluating potential nominees.

**Shareholder Communication with the Board of Directors**

The Company values the views of its shareholders (current and future shareholders, employees and others). Accordingly, the Board of Directors established a system through its Audit Committee to receive, track and respond to communications from shareholders addressed to the Company's Board of Directors or to its Non-Management Directors. Any shareholder who wishes to communicate with the Board of Directors or the Non-Management Directors may write to:

Robert Kramer

Chair, Audit Committee

c/o Metalline Mining Company

1330 E. Margaret Avenue

Coeur d'Alene, Idaho 83815

email address: rkramer@current-technology.com

The chair of the Audit Committee is the Board Communications Designee. He will review all communications and report on the communications to the chair of the Nominating Committee, the full Board or the Non-Management Directors as appropriate. The Board Communications Designee will take additional action or respond to letters in accordance with instructions from the relevant Board source.

**EXECUTIVE COMPENSATION**

**Compensation and other Benefits of Executive Officers**

The following table sets out the compensation received for the fiscal years October 31, 2006, 2005 and 2004 in respect to each of the individuals who were the Company's chief executive officer at any time during the last fiscal year and the Company's most highly compensated executive officers whose total salary and bonus exceeded \$100,000 (the Named Executive Officers) See Certain Relationships and Related Transactions .

**Table of Contents****SUMMARY COMPENSATION TABLE**

Name and Principal Position	FISCAL YEAR COMPENSATION				LONG TERM COMPENSATION			
	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation <sup>(4)</sup>	Awards		Payouts	
					Securities Underlying Option/SARs Granted	Restricted Shares or Restricted Share Units	LTIP Payouts (\$)	All other Compensation (\$)
Merlin Bingham, President	2006	\$206,000	\$0	\$0	1,000,000	0	0	0
	2005	\$201,563	\$0	\$0	0	0	0	0
	2004	\$101,563	\$0	\$60,938 <sup>(1)</sup>	0	0	0	0
Roger Kolvoord, Executive Vice President	2006	\$187,000	\$0	\$0	750,000	0	0	0
	2005	\$81,250	\$0	\$0	0	0	0	0
	2004	\$118,750	\$0	\$74,479 <sup>(1)</sup>	0	0	0	0
Terry Brown, Vice President, Operations	2006	\$125,000	\$0	\$0	250,000	0	0	0
	2005	\$56,160	\$0	\$0	0	0	0	0
	2004	0	\$0	\$0	0	0	0	0

(1) Represents the value of the shares of the Company's Common Stock issued as compensation for services rendered, based on the fair market value of such shares on the date of issuance.

**Employment Contracts and Termination of Employment and Change-in-Control Arrangements***Merlin Bingham*

Effective January 1, 2007, Merlin Bingham entered into an Executive Employment Agreement with the Company, pursuant to which he will receive a base annual salary of \$206,000. The executive is entitled to participate in all the Company's employee benefit plans and employee benefits, including any retirement, pension, profit-sharing, stock option, insurance, hospital or other plans and benefits which now may be in effect or which may hereafter be adopted by the Board of Directors.

According to the severance terms of the Executive Employment Agreement, upon termination of employment by the Company without cause, the executive will receive a severance payment equal to twelve months salary. Upon a

change in control (which is defined in the agreement), the executive will receive a severance payment equal to twelve months salary following the expiration of his Executive Employment Agreement. The agreement may also be terminated at any time by the executive, with 30 days notice, in which case the executive is only entitled to payments of salary and benefits through the date of termination.

*Roger Kolvoord*

Effective January 1, 2007, Roger Kolvoord entered into an Executive Employment Agreement with the Company pursuant to which he will receive a base annual salary (referred to as the Base Fee in his agreement) of \$187,000. The executive is entitled to participate in all the Company's employee benefit plans and employee benefits, including any retirement, pension, profit-sharing, stock option, insurance, hospital or other plans and benefits which now may be in effect or which may hereafter be adopted by the Board of Directors. The terms regarding severance and change of control are substantially identical to those described for Mr. Bingham's above.

**Table of Contents***Terry Brown*

Effective January 1, 2007, Terry Brown entered into an Executive Employment Agreement with the Company pursuant to which he will receive a base annual salary (referred to as the Base Fee in his agreement) of \$125,000. The executive is entitled to participate in all the Company's employee benefit plans and employee benefits, including any retirement, pension, profit-sharing, stock option, insurance, hospital or other plans and benefits which now may be in effect or which may hereafter be adopted by the Board of Directors. The terms regarding severance and change of control are substantially identical to those described for Mr. Bingham's above.

*Robert Devers*

Effective June 18, 2007, Robert Devers was appointed Chief Financial Officer of the Company. Mr. Devers was granted options to purchase 250,000 shares of the Company's common stock exercisable at \$4.30 per share for a five year period and subject to vesting over 2-1/2 years. The Board of Directors also approved a base salary of \$12,500 per month for the first three months of Mr. Devers's employment based on a full time commitment, and \$8,500 per month thereafter based on a part time commitment. The Company has an option to retain Mr. Devers on a full-time basis after the first three months, and if the option is exercised, Mr. Devers will continue to receive a base salary of \$12,500 per month.

There are no other arrangements or understandings between any executive officer and any director or other person pursuant to which any person was selected as a director or an executive officer.

**Option/Stock Appreciation Rights ( SAR ) Grants during the most recently completed Fiscal Year**

The following table sets out the stock options and stock warrants granted as bonuses, which were granted by the Company during 2006 to the Named Executive Officers.

**OPTION/SAR GRANTS IN PREVIOUS YEAR 2006  
INDIVIDUAL GRANTS**

Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$)	Expiration Date
Merlin Bingham	1,000,000	50%	\$2.59	May 1, 2016
Roger Kolvoord	750,000	37.5%	\$2.59	May 1, 2016
Terry Brown	250,000	12.5%	\$2.59	May 1, 2016



**Table of Contents****Aggregated Option/SAR Exercised in Last Financial Year and Fiscal Year-End Option/SAR Values**

The following table sets out all option/SARs and warrants granted as bonuses which were exercised by the Named Executive Officers during the most recently completed fiscal year and the values of options/SARs and warrants for such persons as of the end of the most recently completed fiscal year.

**AGGREGATED OPTION/SAR EXERCISED IN LAST FINANCIAL YEAR  
AND FISCAL YEAR-END OPTION/SAR VALUES.**

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised Options/SARs at FY-End (\$) Exercisable/ Unexercisable
Merlin Bingham	Nil	Nil	Nil	Nil
Roger Kolvoord	Nil	Nil	Nil	Nil
Terry Brown	Nil	Nil	Nil	Nil

**Compensation of Directors**

Prior to October 24, 2006, the Company did not have any standard arrangements pursuant to which the Company's directors are compensated for services as directors. The following director compensation was adopted effective October 24, 2006.

The independent directors of the Company are compensated \$7,500 per fiscal quarter, plus 9,000 shares of the Company's Common Stock per fiscal quarter for their services. In addition, they have been and may be compensated with discretionary stock option grants. No pension or retirement benefit plan has been instituted by the Company and none is proposed at this time. There is no arrangement for compensation with respect to termination of the directors in the event of change of control of the Company.

The Company does not have any standard arrangements pursuant to which the Company's non-independent directors are compensated for services as directors.

**Other Arrangements**

During the fiscal year end October 31, 2006, the Company compensated the following directors, who are not Named Executive Officers, for their services as directors as follows:

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To Wesley Pomeroy, (i) options to purchase 250,000 shares of Common Stock at an exercise price of \$2.59 per share, expiring on May 1, 2016; (ii) \$35,000 cash; and (iii) 42,000 shares of Common Stock, which were issued subsequent to fiscal year-end. To Robert Kramer, (i) options to purchase 500,000 shares of Common Stock at an exercise price of \$2.59 per share, expiring on May 1, 2016; (ii) \$10,000 cash; and (iii) 12,000 shares of Common Stock, which were issued subsequent to fiscal year end.

**Repricing of Options**

None.

**INDEPENDENT PUBLIC ACCOUNTANTS**

The Audit Committee selected the independent accounting firm of Williams & Webster, P.S. with respect to the audit of our financial statements for the year ended October 31, 2006. A representative of Williams & Webster is not expected to be present at the Annual Meeting.

Audit Fees. Our principal accountant, Williams & Webster, P.S., billed us aggregate fees in the amount of approximately \$44,585 for the fiscal year ended October 31, 2006 and approximately \$21,647 for the fiscal year ended October 31, 2005. These amounts were billed for professional services that Williams & Webster, P.S. provided for the audit of our annual financial statements and the review of the financial statements included in our report on 10-KSB.

Audit-Related Fees. There were no fees billed by Williams & Webster, P.S. for audit-related services rendered during fiscal years ended October 31, 2006 and 2005.

Tax Fees. There were no fees billed by Williams & Webster, P.S. for tax services rendered during fiscal years ended October 31, 2006 and 2005.

All Other Fees. There were no other services provided by Williams & Webster, P.S. during fiscal years ended October 31, 2006 and 2005.

**Audit Committee's Pre-Approval Practice**

Section 10A(i) of the Exchange Act prohibits our auditors from performing audit services for us as well as any services not considered to be audit services unless such services are pre-approved by the audit committee of the Board of Directors, or unless the services meet certain *de minimis* standards. The audit committee's charter (adopted May 1, 2006 and amended December 5, 2006) provides that the audit committee must:

Pre-approve all audit services that the auditor may provide to us or any subsidiary (including, without limitation, providing comfort letters in connection with securities underwritings or statutory audits) as required by §10A(i)(1)(A) of the Exchange Act (as amended by the Sarbanes-Oxley Act of 2002).

Pre-approve all non-audit services (other than certain *de minimis* services described in §10A(i)(1)(B) of the Exchange Act (as amended by the Sarbanes-Oxley Act of 2002)) that the auditors propose to provide to us or any of our subsidiaries.

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The audit committee considers at each of its meetings whether to approve any audit services or non-audit services. In some cases, manage