SILGAN HOLDINGS INC
Form DEF 14A
April 21, 2016

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 x

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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Silgan Holdings Inc.

(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):

x 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:

¨ Fee paid previously with preliminary materials.

¨ 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:

4 Landmark Square

Stamford, Connecticut 06901

(203) 975-7110

Notice of Annual Meeting of Stockholders

To be Held on May 27, 2016

YOU ARE HEREBY NOTIFIED that the annual meeting of stockholders of Silgan Holdings Inc., or the Company, a Delaware corporation, will be held at the Courtyard by Marriott Stamford Downtown, 275 Summer Street, Stamford, Connecticut 06901, at 9:00 a.m. on Friday, May 27, 2016, for the following purposes:

1. To elect two directors of the Company to serve until the Company s annual meeting of stockholders in 2019 and until their successors are duly elected and qualified;

2. To reapprove the material terms of the performance goals under the Silgan Holdings Inc. Senior Executive Performance Plan, as amended;

3. To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016;

4. To hold an advisory vote to approve the compensation of the Company s named executive officers; and

5. To transact such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

The close of business on April 11, 2016 has been fixed as the record date for determining the stockholders of the Company entitled to notice of and to vote at the annual meeting. All holders of record of Common Stock of the Company at that date are entitled to vote at the annual meeting or any adjournment or postponement of the annual meeting.

By Order of the Board of Directors,

Frank W. Hogan, III

Secretary

Stamford, Connecticut

April 21, 2016

Please complete, sign and mail the enclosed Proxy in the accompanying envelope even if you intend to be present at the annual meeting. Please sign the enclosed Proxy exactly as your name appears on it. Returning the Proxy will not limit your right to vote in person or to attend the annual meeting. If you hold shares of Common Stock of the Company in more than one name, or if your shares of Common Stock of the Company are registered in more than one way, you may receive more than one copy of the proxy materials. If so, please sign and return each of the Proxies that you receive so that all of your shares of Common Stock of the Company may be voted.

The annual meeting will be held to vote on the first four items listed above, tabulate the votes cast in respect of those items and report the results of the vote. No presentations or other business matters are planned for the annual meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE

STOCKHOLDERS MEETING TO BE HELD ON MAY 27, 2016

This Proxy Statement and the Company s Annual Report for 2015 are available at www.silganholdings.com/proxyandannualreport

4 Landmark Square

Stamford, Connecticut 06901

(203) 975-7110

PROXY STATEMENT

Annual Meeting of Stockholders

to be held on May 27, 2016

To Stockholders of Silgan Holdings Inc.:

This Proxy Statement and the accompanying proxy card are furnished in connection with the solicitation of proxies by the Board of Directors of Silgan Holdings Inc., or Silgan Holdings or the Company, for use at our annual meeting of stockholders, or the Meeting, to be held at the Courtyard by Marriott Stamford Downtown, 275 Summer Street, Stamford, Connecticut 06901, on Friday, May 27, 2016, at 9:00 a.m., and at any postponements or adjournments of the Meeting. If you need directions to attend the Meeting and vote in person, you should contact the Company by telephone at (203) 975-7110. This Proxy Statement and the accompanying proxy card will first be mailed to stockholders on or about April 21, 2016.

Only holders of record of our Common Stock as of the close of business on April 11, 2016, the Record Date, will be entitled to notice of and to vote at the Meeting. As of the Record Date, we had 60,468,347 shares of our Common Stock outstanding. Each share of our Common Stock is entitled to one vote. We have no other class of voting securities issued and outstanding. The presence in person or by proxy of the holders of a majority of the outstanding shares of our Common Stock will be necessary to constitute a quorum for the transaction of business at the Meeting.

All shares of our Common Stock represented by properly executed proxies will be voted in accordance with the instructions indicated on such proxies unless such proxies previously have been revoked. If any proxies are signed and returned but do not contain voting instructions, the shares of our Common Stock represented by such proxies will be voted **FOR** the election of the nominees for director listed below to serve until our annual meeting of stockholders in 2019 and until their successors are duly elected and qualified, **FOR** the reapproval of the material terms of the performance goals under the Silgan Holdings Inc. Senior Executive Performance Plan, as amended, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016, and **FOR** the approval, on an advisory basis, of the compensation of the Company s named executive officers. We do not anticipate that any other matters will be brought before the Meeting. If any other matters properly come before the Meeting, the shares of our Common Stock represented by all properly executed proxies will be voted in accordance with the judgment of the persons named on such proxies. Shares of our Common Stock abstaining and shares of our Common Stock held in street name as to which a broker has not voted on some matters but has voted on other matters, or Broker Shares, will be included in determining whether a quorum exists at the Meeting. The New York Stock Exchange has adopted rules that eliminate broker discretionary voting for the election of directors and certain other corporate governance matters. These rules apply to us notwithstanding the fact that our Common Stock is traded on the Nasdaq Stock Market. Therefore, your broker is not able to vote on your behalf in any director election or with respect to certain other corporate governance matters without voting instructions from you.

Assuming that a quorum exists at the Meeting, approval of the first three matters specified in the Notice of Meeting requires the affirmative vote of a majority of the votes cast at the Meeting, and approval, on an advisory basis, of the non-binding resolution with respect to the fourth matter specified in the Notice of Meeting requires

the affirmative vote of a majority of the votes cast at the Meeting. Stockholders may not cumulate their votes. Abstentions and Broker Shares that have not been voted with respect to a particular proposal will not be counted in determining the total number of votes cast or in determining whether such proposal has received the requisite number of affirmative votes.

You may revoke your proxy at any time before it is exercised at the Meeting by: (1) delivering to the Secretary of the Company a duly executed proxy bearing a later date; (2) filing a written notice of revocation with the Secretary of the Company; or (3) appearing at the Meeting and voting in person.

In addition to solicitations by mail, some of our directors, officers and employees may solicit proxies for the Meeting personally or by telephone without extra remuneration. We will also provide persons, banks, brokerage firms, custodians, nominees, fiduciaries and corporations holding shares in their names or in the names of nominees, which in either case are beneficially owned by others, with proxy materials for transmittal to such beneficial owners and will reimburse such record owners for their expenses in doing so. The Company will bear the costs of soliciting proxies.

THE COMPANY HEREBY UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM A COPY OF THIS PROXY STATEMENT HAS BEEN DELIVERED, UPON THE WRITTEN REQUEST OF ANY SUCH PERSON, A COPY OF OUR ANNUAL REPORT ON FORM 10-K, INCLUDING THE FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENT SCHEDULES THERETO, THAT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 13a-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO SILGAN HOLDINGS INC., 4 LANDMARK SQUARE, STAMFORD, CONNECTICUT 06901 (TELEPHONE NUMBER: (203) 975-7110), ATTENTION: GENERAL COUNSEL.

PROPOSAL 1: ELECTION OF DIRECTORS

Nominees

Our Board of Directors is currently composed of seven members, divided into three classes designated as Class I, Class II and Class III. We have two Class I Directors, two Class II Directors and three Class III Directors, with each class of directors serving staggered three-year terms. At each annual meeting of stockholders of the Company, the term of office of one class of directors of the Company expires, and directors nominated to the class of directors whose term is expiring at such annual meeting will be elected for a term of three years and until their successors are duly elected and qualified. Our remaining directors continue in office until their respective terms expire and until their successors are duly elected and qualified. Accordingly, at each annual meeting of stockholders of the Company one class of our directors will be elected, and each of our directors will be required to stand for election once every three years. At the Meeting, the term of office for our Class I Directors expires.

Our Class I Directors currently are Messrs. R. Philip Silver and William C. Jennings. Pursuant to the Amended and Restated Stockholders Agreement dated as of November 6, 2001, or the Stockholders Agreement, among R. Philip Silver, D. Greg Horrigan and the Company, each of Messrs. Silver and Jennings was nominated for re-election at the Meeting as Class I Directors of the Company, to serve until our annual meeting of stockholders in 2019 and until his successor has been duly elected and qualified. You should read the section in this Proxy Statement titled Certain Relationships and Related Transactions Stockholders Agreement for a description of the material provisions of the Stockholders Agreement.

Each nominee for Class I Director of the Company has consented to be named in this Proxy Statement and to serve on our Board of Directors if elected. If, prior to the Meeting, any nominee should become unavailable to serve on our Board of Directors for any reason, the shares of our Common Stock represented by all properly executed proxies will be voted for such alternate individual as shall be nominated pursuant to the Stockholders Agreement.

We provide below certain information regarding each nominee for Class I Director of the Company and each Director of the Company whose term of office continues after the Meeting, including the individual s age (as of December 31, 2015), principal occupation and business experience during at least the last five years, other directorships currently held or held during the past five years, the year in which such individual was first elected a director of the Company and the experiences, qualifications, attributes or skills that each nominee and Director brings to our Board of Directors. We believe that each nominee and current Director brings a strong and unique background and set of skills to our Board of Directors, giving our Board of Directors as a whole competence and experience in a wide variety of areas, including relevant industry experience, executive management experience, public company board service experience and finance and accounting experience.

Nominees for election as Directors (Class I) term expiring 2019

R. Philip Silver, age 73, has been our Co-Chairman of the Board in a non-executive capacity since March 2006. Prior to that, Mr. Silver was our Co-Chief Executive Officer from March 1994 until March 2006. Mr. Silver was also our Co-Chairman of the Board in an executive capacity from August 2004 until March 2006 and, prior to that, our Chairman of the Board in an executive capacity. Mr. Silver is one of our co-founders and has been a Director since our inception in 1987. Prior to founding the Company in 1987, Mr. Silver was a consultant to the packaging industry. Mr. Silver was President of Continental Can Company from June 1983 to August 1986. As one of our co-founders, Mr. Silver brings to our Board of Directors extensive knowledge of the Company and the consumer goods packaging industry and numerous years of executive management experience.

William C. Jennings, age 76, has been one of our Directors since July 2003. Mr. Jennings is a retired partner of PricewaterhouseCoopers LLP, where he led its risk management and internal control consulting practice from

1991 until his retirement in 1999. Prior to that, Mr. Jennings served as a senior audit partner at Coopers & Lybrand, as a Senior Executive Vice President at Shearson Lehman Brothers responsible for quality assurance, internal audit and compliance and as Executive Vice President and Chief Financial Officer of Bankers Trust Company. Since retiring from PricewaterhouseCoopers LLP, Mr. Jennings has provided independent consulting services to a number of companies. Mr. Jennings currently serves as a director of The Spectranetics Corporation, a manufacturer of medical devices. During the past five years, Mr. Jennings also served as a director of Axcelis Technologies, Inc., a supplier for the semiconductor industry. Mr. Jennings brings to our Board of Directors extensive experience in finance and accounting matters, particularly as they apply to public companies, and he has experience as a public company director.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF ALL NOMINEES FOR DIRECTOR (CLASS I) OF THE COMPANY.

Incumbent Directors (Class II) term expiring 2017

D. Greg Horrigan, age 72, has been our Co-Chairman of the Board in a non-executive capacity since March 2006. Prior to that, Mr. Horrigan was our Co-Chief Executive Officer from March 1994 until March 2006. Mr. Horrigan was also our Co-Chairman of the Board in an executive capacity from August 2004 until March 2006 and, prior to that, our President. Mr. Horrigan is one of our co-founders and has been a Director since our inception in 1987. Prior to founding the Company in 1987, Mr. Horrigan was Executive Vice President and Operating Officer of Continental Can Company from 1984 to 1987. As one of our co-founders, Mr. Horrigan brings to our Board of Directors extensive knowledge of the Company and the consumer goods packaging industry and numerous years of executive management experience.

John W. Alden, age 74, has been one of our Directors since November 2001. From 1965 until 2000, Mr. Alden was employed by United Parcel Service of America, Inc., or UPS, serving in various management positions. Until his retirement in 2000, Mr. Alden was Vice Chairman of UPS since 1996 and a director of UPS since 1988. Mr. Alden is currently a director of ArcBest Corporation, a provider of freight transportation, and HD Supply Holdings Inc., a North American industrial distributor. During the past five years, Mr. Alden also served as a director of Barnes Group Inc., an aerospace and industrial components manufacturer, and The D & B Corporation, a provider of commercial information. Mr. Alden has significant executive management experience and experience as a public company director.

Incumbent Directors (Class III) term expiring 2018

Anthony J. Allott, age 51, has been one of our Directors since June 2006 and has been our Chief Executive Officer since March 2006 and our President since August 2004. Mr. Allott was also our Chief Operating Officer from May 2005 until March 2006. From May 2002 until August 2004, Mr. Allott was our Executive Vice President and Chief Financial Officer. Prior to joining us, Mr. Allott was Senior Vice President and Chief Financial Officer of Applied Extrusion Technologies, Inc., or AET, a manufacturer of flexible packaging, since July 1996. From July 1994 until July 1996, Mr. Allott was Vice President and Treasurer of AET. From 1992 until July 1994, Mr. Allott was Corporate Controller and Director of Financial Reporting of Ground Round Restaurants. Prior to that, Mr. Allott was a certified public accountant with Deloitte & Touche LLP. Mr. Allott brings to our Board of Directors considerable executive management experience and serves as our Chief Executive Officer.

Joseph M. Jordan, age 69, has been one of our Directors since March 2014. Mr. Jordan is a retired partner of KPMG LLP, where he was employed from April 1981 until his retirement in September 2009. At KPMG, Mr. Jordan was a partner in its Financial Services practice, serving banking and insurance company clients. He served as partner-in-charge of KPMG s New York Insurance Practice and was KPMG s National Director of Insurance Tax Services. Mr. Jordan also served as a partner in KPMG s Department of Professional Practice, specializing in SEC and PCAOB matters involving auditor independence and other regulatory matters. Following

his retirement from KPMG, Mr. Jordan has served as an independent consultant. Prior to joining KPMG, Mr. Jordan began his professional career with the United States Department of Treasury. Mr. Jordan brings to our Board of Directors extensive experience in accounting and financial matters, particularly for public companies.

Edward A. Lapekas, age 72, has been one of our Directors since October 2001. Mr. Lapekas was Non-Executive Chairman of the Board of Tegrant Corporation, a manufacturer of packaging materials, from March 2007 until November 2011. Mr. Lapekas was Non-Executive Chairman of the Board of Pliant Corporation, a manufacturer of film and flexible packaging products, from October 2003 until June 2006 and interim Chief Executive Officer of Pliant Corporation from August 2003 until October 2003. Mr. Lapekas was Chairman of the Board and Chief Executive Officer of Nexpak Corporation, a packaging manufacturer, from November 2002 until March 2003. From October 2000 until June 2001, Mr. Lapekas was Executive Chairman of Packtion Corporation, an e-commerce packaging venture. From May 1996 until July 2000, Mr. Lapekas was employed by American National Can Group, Inc., last serving as Chairman and Chief Executive Officer. Prior to that, Mr. Lapekas served as Deputy Chairman and Chief Operating Officer of Schmalbach-Lubeca AG, a packaging manufacturer. From 1971 until 1991, Mr. Lapekas was employed by Continental Can Company where he served in various strategy, planning, operating and marketing capacities. From October 2003 until December 2009, Mr. Lapekas was a director of Pliant Corporation, a company that filed for Chapter 11 bankruptcy protection in both January 2006 and February 2009. Mr. Lapekas brings to our Board of Directors extensive experience in the consumer goods packaging industry and has significant executive management experience and experience as a public company director.

Messrs. Silver and Jennings were elected as Directors of the Company at our annual meeting of stockholders in 2013. Messrs. Horrigan and Alden were elected as Directors of the Company at our annual meeting of stockholders in 2014. Messrs. Allott, Jordan and Lapekas were elected as Directors of the Company at our annual meeting of stockholders in 2015.

Each of John W. Alden, William C. Jennings, Joseph M. Jordan and Edward A. Lapekas is an independent director, as defined in Rule 5605(a)(2) of the listing standards of the Nasdaq Stock Market. The independent directors held four meetings during 2015 following regularly scheduled quarterly meetings of the Board of Directors, without the presence of management or any inside directors.

Our Board of Directors met four times and acted by written consent six times during 2015. Each of our Directors attended more than 75 percent of the aggregate of: (1) the total number of meetings of the Board of Directors held in 2015 during which he was a Director and (2) the total number of meetings held in 2015 by all committees of the Board of Directors on which he served during which he was a Director.

The Company does not have a policy with regard to director attendance at annual meetings of stockholders. One of our Directors attended last year s annual meeting of stockholders.

Risk Oversight and Board Structure

Our Board of Directors as a whole is responsible for risk oversight for the Company. Our Board of Directors risk oversight process builds upon management s assessment of the Company s risks and processes for managing and mitigating such risks. At meetings of our Board of Directors, the executive officers of the Company regularly address and discuss with our Board of Directors risks of the Company and the manner in which the Company manages or mitigates its risks. While our Board of Directors has the ultimate responsibility for risk oversight for the Company, our Board of Directors works in conjunction with its committees on certain aspects of its risk oversight responsibilities. In particular, our Audit Committee focuses on financial reporting risks and related controls and procedures. Our Compensation Committee strives to create compensation practices that do not encourage excessive levels of risk taking that would be inconsistent with the Company s strategy and objectives.

Our corporate governance documents provide our Board of Directors with flexibility to select the appropriate leadership structure for the Company. In making leadership structure determinations, our Board of

Directors considers many factors. At this time, each of the positions of Co-Chairmen of the Board and Chief Executive Officer of the Company are held by different persons. Our Board of Directors has decided at this time to have different persons hold such positions largely due to the availability to the Company of multiple persons with many years of experience in the consumer goods packaging industry and extensive executive management experience with the Company. Our Co-Chairmen of the Board are co-founders of the Company and each has over thirty years of management experience in the packaging industry. With their experience, our Co-Chairmen of the Board effectively lead our Board of Directors in its fundamental role of overseeing the business and affairs of the Company.

As part of each regularly scheduled quarterly meeting of our Board of Directors, our independent Directors meet without the presence of management or inside directors. These meetings allow our independent Directors to discuss matters involving the Company without the presence of any member of management or any inside director.

Committees of the Board of Directors

Our Board of Directors has two standing committees. The principal responsibilities of each of the standing committees and the members of such committees are set forth below.

1. *Audit Committee*. The Audit Committee has the responsibility of overseeing the Company s financial reporting process on behalf of our Board of Directors. The functions performed by the Audit Committee are described in the section of this Proxy Statement titled Report of the Audit Committee. During 2015, the Audit Committee held eight meetings and acted by written consent two times. The Audit Committee consists of Messrs. Jennings, Alden, Jordan and Lapekas, each of whom our Board of Directors has determined is independent as required by the written charter of the Audit Committee, the applicable listing standards of the Nasdaq Stock Market and the applicable rules of the Securities and Exchange Commission, or the SEC. All of our independent directors are members of the Audit Committee. Mr. Jennings is the Chairperson of the Audit Committee. The Board of Directors has determined that each of Messrs. Jennings and Jordan meets the criteria of an audit committee financial expert under applicable rules of the SEC. Mr. Jennings extensive background and experience includes leading the risk management and internal control consulting practice of PricewaterhouseCoopers LLP, serving as senior audit partner at Coopers & Lybrand and serving as Chief Financial Officer of Bankers Trust Company. Mr. Jordan s extensive background and experience includes serving as a financial services partner at KPMG and as a partner in KPMG s Department of Professional Practice specializing in SEC and PCAOB matters involving auditor independence and other regulatory matters.

2. *Compensation Committee*. Pursuant to its written charter, the Compensation Committee has the responsibility of reviewing and approving matters relating to the compensation of executive officers of the Company, as further described in the section of this Proxy Statement titled Executive Compensation. In addition, pursuant to the terms of the Silgan Holdings Inc. Amended and Restated 2004 Stock Incentive Plan, or the 2004 Stock Incentive Plan, the Compensation Committee is responsible for administering the 2004 Stock Incentive Plan, making awards and grants under the 2004 Stock Incentive Plan to officers and other key employees of the Company and its subsidiaries and setting performance goals and confirming performance levels in respect of performance awards made under the 2004 Stock Incentive Plan. Historically, the Compensation Committee in its discretion has periodically consulted with outside consultants (such as Frederic W. Cook & Co., Inc.) for certain matters regarding director and executive officer compensation, but it did not consult with outside consultants in 2015. The Compensation Committee held three meetings and acted by written consent twice during 2015. The Compensation Committee consists of Messrs. Lapekas, Alden, Jennings and Jordan, each of whom is an independent director as required by the written charter of the Compensation Committee and the applicable listing standards of the Nasdaq Stock Market. All of our independent directors are members of the Compensation Committee. Mr. Lapekas is the Chairperson of the Compensation Committee.

In November 2001, the Company and Messrs. Silver and Horrigan, our Co-Chairmen of the Board, entered into the Stockholders Agreement, which had replaced previous stockholders and organization agreements. You

should read the section in this Proxy Statement titled Certain Relationships and Related Transactions Stockholders Agreement for a description of the material terms of the Stockholders Agreement. Under the Stockholders Agreement, the Group (as defined in the Stockholders Agreement and generally including Messrs. Silver and Horrigan and their affiliates, family members, trusts and estates) has the contractual right to nominate for election all directors of the Company so long as the Group holds an aggregate of at least 14,306,180 shares of our Common Stock (as adjusted for the stock splits effected on September 15, 2005 and May 3, 2010). As of the date of this Proxy Statement, the Group held more than 14,306,180 shares of our Common Stock. In the very unlikely event that either of Messrs. Silver or Horrigan notifies our Board of Directors that the Group cannot agree on an individual for any nominee for director or if at least 45 days prior to our annual meeting of stockholders the Group fails to nominate for election at such annual meeting the requisite number of individuals to stand for election, then our Board of Directors has the right to nominate for director the number of individuals that the Group could not agree on as nominees or failed to nominate timely.

Accordingly, our Board of Directors does not have a nominating committee because the right to nominate all directors has been contractually granted to the Group, and our Board of Directors deems it very unlikely at this time that they would have to nominate for election any director. As a result, the Company does not have a nominating committee charter, does not have a policy to consider director candidates recommended by stockholders, does not have a policy regarding the composition or diversity of our Board of Directors and does not have a process for identifying or evaluating nominees for director. All nominees for Class I Director of the Company to be elected at the Meeting were nominated by the Group pursuant to the Stockholders Agreement.

Stockholder Communications with the Board of Directors

The Company s Board of Directors has a formal process for security holders to send communications to it. Security holders may send written communications addressed to the Board of Directors or to any specified Director of the Company by mail to the Company s office in Stamford, Connecticut. If the Company receives at its office in Stamford, Connecticut any such written communications, the Company will forward such written communications directly to all members of the Board of Directors or to such specified Director of the Company, as the case may be.

COMPENSATION OF DIRECTORS

Each of our Directors (including our non-executive Co-Chairmen of the Board) who does not receive compensation as an officer or employee of the Company or any of its affiliates is paid an annual retainer of $50,000 for service on our Board of Directors and a fee of $2,000 for each meeting of our Board of Directors or committee thereof attended, plus reimbursement for business related travel and other reasonable out-of-pocket expenses. Each of our non-executive Co-Chairmen of the Board is also paid an annual retainer fee of $50,000 for his service as a Co-Chairman of the Board. The Company also maintains an office for each of Messrs. Silver and Horrigan, our non-executive Co-Chairmen of the Board, at its offices in Stamford, Connecticut, and provides them with access to a shared assistant. Additionally, each of our Directors (including our non-executive Co-Chairmen of the Board) who does not receive compensation as an officer or employee of the Company or any of our affiliates receives an annual equity based director award, on the first business day after our annual meeting of stockholders, having an aggregate fair market value of $90,000 as of the date of grant. These awards are made in the form of restricted shares of our Common Stock or restricted stock units related to shares of our Common Stock, in the discretion of the Board of Directors, under the 2004 Stock Incentive Plan. Each of the members of the Audit Committee of our Board of Directors is also paid an annual retainer fee of $12,000 for his service on the Audit Committee, and each of the chairpersons of the Audit and Compensation Committees of our Board of Directors is also paid an annual retainer fee of $10,000 for his service as chairperson of such committee.

Mr. Allott, who is an officer and an employee of the Company, does not receive any annual retainer or meeting fees or any director awards under the 2004 Stock Incentive Plan.

The following table provides information concerning the compensation of Directors of the Company for the fiscal year ended December 31, 2015.

Director Compensation

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name	Fees Earned or Paid in Cash($)(1)	Stock Awards($)(2)	Option Awards($)	Non-Equity Incentive Plan Compensation($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings($)	All Other Compensation($)(3)	Total($)
R. Philip Silver(4)	$ 108,000	$89,984	$0	$0	$0	$1,719	$ 199,703
D. Greg Horrigan(4)	$ 108,000	$89,984	$0	$0	$0	$8,072	$ 206,056
Anthony J. Allott	$ 0	$ 0	$0	$0	$0	$ 0	$ 0
John W. Alden(4)	$ 92,000	$89,984	$0	$0	$0	$ 622	$ 182,606
William C. Jennings(4)	$ 102,000	$89,984	$0	$0	$0	$8,583	$ 200,567
Joseph M. Jordan(4)	$ 92,000	$89,984	$0	$0	$0	$ 622	$ 182,606
Edward A. Lapekas(4)	$ 102,000	$89,984	$0	$0	$0	$4,482	$ 196,466

(1) For each of Messrs. Silver and Horrigan, the amount in column (b) represents the amount paid to him in 2015 for his services as a Director and as non-executive Co-Chairman of the Board as described above. For each of Messrs. Alden, Jennings, Jordan and Lapekas, the amount in column (b) represents the amount paid to him in 2015 for his services as a Director and on committees of the Board of Directors as described above.

(2) For each of Messrs. Silver, Horrigan, Alden, Jennings, Jordan and Lapekas, the amount in column (c) reflects the grant date fair value of 1,641 restricted stock units (representing the right to receive 1,641 shares of Common Stock upon vesting) granted on May 27, 2015 pursuant to and under the 2004 Stock Incentive Plan. These restricted stock units vest all at once in a single installment on May 27, 2016, one year from the date of grant. The grant date fair value of such restricted stock units was calculated by multiplying the average of the high and low sales prices of a share of our Common Stock on May 27, 2015 by such

number of restricted stock units, in accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification 718, Compensation Stock Compensation (FASB ASC Topic 718). Each year on the first business day following our annual meeting of stockholders each of our non-employee Directors is granted restricted stock or restricted stock units having a grant date fair value, calculated using the average of the high and low sales prices of a share of Common Stock on that day as quoted by the Nasdaq Global Select Market System, of $90,000 in accordance with the 2004 Stock Incentive Plan.

(3) For Mr. Silver, the amount in column (g) consists of dividend equivalents of $622 paid on unvested restricted stock units upon their vesting and dividend equivalents of $1,097 paid on restricted stock units that had vested but for which receipt of the underlying shares of Common Stock had been deferred. For Mr. Horrigan, the amount in column (g) consists of dividend equivalents of $622 paid on unvested restricted stock units upon their vesting and dividend equivalents of $7,450 paid on restricted stock units that had vested but for which receipt of the underlying shares of Common Stock had been deferred. For Mr. Alden, the amount in column (g) consists of dividend equivalents of $622 paid on unvested restricted stock units upon their vesting. For Mr. Jennings, the amount in column (g) consists of dividend equivalents of $622 paid on unvested restricted stock units upon their vesting and dividend equivalents of $7,961 paid on restricted stock units that had vested but for which receipt of the underlying shares of Common Stock had been deferred. For Mr. Jordan, the amount in column (g) consists of dividend equivalents of $622 paid on unvested restricted stock units upon their vesting. For Mr. Lapekas, the amount in column (g) consists of dividend equivalents of $622 paid on unvested restricted stock units upon their vesting and dividend equivalents of $3,860 paid on restricted stock units that had vested but for which receipt of the underlying shares of Common Stock had been deferred.

(4) The aggregate number of outstanding restricted stock units held by each of our non-employee Directors as of December 31, 2015 is as follows:

Mr. Silver 1,641 unvested restricted stock units and 1,714 vested but deferred restricted stock units

Mr. Horrigan 1,641 unvested restricted stock units and 11,895 vested but deferred restricted stock units

Mr. Alden 1,641 unvested restricted stock units

Mr. Jennings 1,641 unvested restricted stock units and 12,439 vested but deferred restricted stock units

Mr. Jordan 1,641 unvested restricted stock units

Mr. Lapekas 1,641 unvested restricted stock units and 6,287 vested but deferred restricted stock units

There were no outstanding stock options held by any of our non-employee Directors as of December 31, 2015.

EXECUTIVE OFFICERS

Our Board of Directors appoints the officers of the Company. The officers of our subsidiaries are appointed by the respective boards of directors of our subsidiaries. We provide below certain information concerning the current executive officers of the Company, including each individual s age (as of December 31, 2015). Information concerning Mr. Allott, our President and Chief Executive Officer, is set forth in the section of this Proxy Statement titled Election of Directors. There are no family relationships among any of the directors or executive officers of the Company.

Adam J. Greenlee, age 42, has been our Executive Vice President and Chief Operating Officer since August 2009. From October 2007 until August 2009, Mr. Greenlee was our Executive Vice President, Operations. From January 2006 until October 2007, Mr. Greenlee was President of the North American operations of Silgan White Cap, and he was Executive Vice President of the North American operations of Silgan White Cap from March 2005 until January 2006. Prior to that, Mr. Greenlee was Vice President & General Manager of ATI Allegheny Rodney from January 2003 through February 2005 and its Director of Marketing from February 2001 until January 2003.

Robert B. Lewis, age 51, has been our Executive Vice President and Chief Financial Officer since August 2004. Previously, Mr. Lewis was Senior Vice President and Chief Financial Officer of Velocity Express Inc. from January 2004 until August 2004. From December 2000 until December 2003, Mr. Lewis held a series of senior executive positions at Moore Corporation Limited, initially as Executive Vice President and Chief Financial Officer and later as President of Business Communication Services, an operating division of Moore Corporation Limited. Prior to joining Moore Corporation Limited, Mr. Lewis served as Executive Vice President and Chief Financial Officer of Walter Industries, Inc. and World Color Press, Inc. and in various senior financial management roles at L.P. Thebault, a U.S. based commercial printer.

Frank W. Hogan, III, age 55, has been our Senior Vice President, General Counsel and Secretary since June 2002. From June 1997 until June 2002, Mr. Hogan was our Vice President, General Counsel and Secretary. From September 1995 until June 1997, Mr. Hogan was a partner at the law firm of Winthrop, Stimson, Putnam & Roberts (now Pillsbury Winthrop Shaw Pittman LLP). From April 1988 to September 1995, Mr. Hogan was an associate at that firm.

B. Frederik Prinzen, age 57, has been our Senior Vice President, Corporate Development since February 2014. From July 2008 until February 2014, Mr. Prinzen was our Vice President, Corporate Development. Previously, Mr. Prinzen was Chief Operating Officer of Alcan Pharmaceutical Packaging Americas, a division of Alcan, Inc. Prior to that, Mr. Prinzen held various management positions with Shorewood Packaging Corporation, a subsidiary of International Paper Company, since 1993, last serving as Senior Vice President, Consumer Products Business and Senior Vice President, Manufacturing. Mr. Prinzen began his career in the consumer goods packaging industry with Paperboard Industries Corporation in 1987.

Anthony P. Andreacchi, age 52, has been our Vice President, Tax since July 2006. Prior to that, Mr. Andreacchi served as Director of Taxes U.S. for Ingersoll-Rand Company since February 2003. Previously, Mr. Andreacchi held various positions in the tax department of Ingersoll-Rand Company since 1991, and served as International Tax Counsel of Xerox Corporation in 2002. He began his career as an associate at the law firm of LeBoeuf, Lamb, Leiby & MacRae in 1987.

Kimberly I. Ulmer, age 48, has been our Vice President and Controller since March 2006. Previously, Ms. Ulmer was our Controller since September 2004. From May 2003 until September 2004, Ms. Ulmer was Controller, Accounting Policies and Compliance for General Electric Vendor Financial Services, a unit of General Electric Capital Corporation. Prior to that, Ms. Ulmer was employed by Quebecor World Inc. (formerly World Color Press, Inc.) from August 1997 until April 2003, last serving as Vice President, Assistant Controller.

Thomas J. Snyder, age 49, has been President of Silgan Containers, our U.S. metal container operations, since October 2007. Prior to that, Mr. Snyder was Executive Vice President of Silgan Containers from July 2006 until October 2007 and Vice President Sales & Marketing of Silgan Containers from July 2002 until July 2006. Mr. Snyder was Director of Sales of Silgan Containers from May 2000 until July 2002 and a National Account Manager for Silgan Containers from May 1993 until May 2000.

Code of Ethics

Our Board of Directors has adopted a Code of Ethics applicable to our principal executive officer, principal financial officer and principal accounting officer or controller in order to deter wrongdoing and to promote the conduct of the Company s business in an honest, lawful and ethical manner. A copy of this Code of Ethics was filed as an exhibit to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2003.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Stockholders Agreement

In November 2001, Messrs. Silver and Horrigan and the Company entered into the Stockholders Agreement. The Stockholders Agreement replaced in its entirety a previous stockholders agreement entered into among Messrs. Silver and Horrigan, the Company and the other parties thereto at the time of the initial public offering of shares of Common Stock of the Company on February 14, 1997. Such previous stockholders agreement had replaced prior organization and stockholders agreements entered into in December 1993 among the Company, Messrs. Silver and Horrigan and the other parties thereto, which prior agreements had replaced an organization agreement among the Company and the founding stockholders of the Company, including Messrs. Silver and Horrigan, entered into in June 1989.

Under the Stockholders Agreement, the Group (as defined in the Stockholders Agreement and generally including Messrs. Silver and Horrigan and their affiliates and related family transferees and estates) has the right to nominate for election all directors of the Company until the Group holds less than one-half of the number of shares of our Common Stock held by it in the aggregate on February 14, 1997. At least one of the Group s nominees must be either Mr. Silver or Mr. Horrigan during the three year period covering the staggered terms of our three classes of directors. On February 14, 1997, the Group held 28,612,360 shares of our Common Stock in the aggregate (as adjusted for the stock splits effected on September 15, 2005 and May 3, 2010), and, as of the date of this Proxy Statement, the Group held more than one-half of such number of shares of our Common Stock. Additionally, the Group has the right to nominate for election either Mr. Silver or Mr. Horrigan as a member of our Board of Directors when the Group no longer holds at least one-half of the number of shares of our Common Stock held by it in the aggregate on February 14, 1997 but beneficially owns at least 5% of our Common Stock. The Stockholders Agreement continues until the death or disability of both of Messrs. Silver and Horrigan.

If either Mr. Silver or Mr. Horrigan notifies our Board of Directors that the Group cannot agree on an individual for any of its nominees under the Stockholders Agreement or if at least 45 days prior to our annual meeting of stockholders the Group fails to nominate for election at such annual meeting the requisite number of individuals to stand for election to our Board of Directors at such annual meeting, then our Board of Directors has the right to nominate for election to our Board of Directors the number of individuals that the Group could not agree on as nominees or that the Group failed to nominate timely.

The provisions of the Stockholders Agreement could have the effect of delaying, deferring or preventing a change of control of the Company and preventing our stockholders from receiving a premium for their shares of our Common Stock in any proposed acquisition of the Company.

Review, Approval or Ratification of Transactions with Related Persons

Pursuant to its written charter, the Audit Committee of the Board of Directors of the Company is required to approve any related party transactions that are required to be disclosed under applicable securities rules. In evaluating any such proposed reportable transaction, the Audit Committee will consider the specific facts and circumstances of each transaction, which facts and circumstances will include the related person s interest in the transaction, whether the transaction is being negotiated on an arm s length basis, whether the terms of the transaction are fair to the Company and whether the terms of the transaction with the related person are no less favorable to the Company than could be obtained with a non-related third party under similar circumstances.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

In 2015, the Compensation Committee of our Board of Directors consisted of Messrs. Lapekas, Alden, Jennings and Jordan, none of whom was an officer, former officer or employee of the Company. During 2015, none of our executive officers served as: (i) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on the Compensation Committee of our Board of Directors, (ii) a director of another entity, one of whose executive officers served on the Compensation Committee of our Board of Directors, or (iii) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Board of Directors.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

In the table below, we provide information, as of the Record Date, with respect to the beneficial ownership of our Common Stock by (i) each current director and each Named Executive Officer (as defined in the section of this Proxy Statement titled Executive Compensation Compensation Discussion and Analysis) of the Company, (ii) each person or entity who is known by the Company to own beneficially more than 5% of our Common Stock and (iii) by all current executive officers and directors of the Company as a group. Except as otherwise described below, each of the persons named in the table below has sole voting and investment power with respect to the securities beneficially owned.

	Number of Shares of Common Stock Owned	Percentage Ownership of Common Stock(1)
R. Philip Silver(2)	11,128,587	18.40%
D. Greg Horrigan(3)	8,302,184	13.73%
John W. Alden(4)	32,475	*
William C. Jennings(5)	30,726	*
Joseph M. Jordan(6)	3,661	*
Edward A. Lapekas(7)	37,496	*
Anthony J. Allott(8)	232,787	*
Robert B. Lewis(9)	101,470	*
Adam J. Greenlee(10)	4,417	*
Frank W. Hogan, III(11)	41,407	*
Thomas J. Snyder(12)	4,367	*
All current executive officers and directors as a group (14 persons)(13)	19,931,872	32.94%
JPMorgan Chase & Co.(14)	6,439,416	10.65%
FMR LLC and related parties(15)	6,148,598	10.17%
The Vanguard Group(16)	3,220,797	5.33%

(1) An asterisk denotes beneficial ownership of 1% or less of our Common Stock.

(2) Mr. Silver is a Director of the Company. The amount beneficially owned by Mr. Silver consists of 7,552,187 shares of our Common Stock owned directly by him over which he has sole voting and dispositive power, 184,544 shares of our Common Stock owned by family trusts of which he is the investment trustee with sole voting and dispositive power, 2,247,078 shares of our Common Stock owned by family trusts (of which Mr. Silver s spouse is a trustee) over which Mr. Silver may be deemed to have shared voting and dispositive power, 1,141,423 shares of our Common Stock owned by family trusts over which, pursuant to voting agreements and irrevocable proxies, he has the power to vote such shares, 1,714 shares of our Common Stock that are issuable to him for vested restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan for which he has deferred receipt and 1,641 shares of our Common Stock that will be issuable to him for restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date. The address for Mr. Silver is 4 Landmark Square, Stamford, Connecticut 06901.

(3) Mr. Horrigan is a Director of the Company. The amount beneficially owned by Mr. Horrigan consists of 3,871,163 shares of our Common Stock owned directly by him and over which he has sole voting and dispositive power, 2,448,565 shares of our Common Stock owned by grantor retained annuity trusts of which he and his spouse are co-trustees with shared voting and dispositive power, 1,083,232 shares of our Common Stock owned by a grantor retained annuity trust of which he is the sole trustee with sole voting and dispositive power, 616,792 shares of our Common Stock owned by the Horrigan Family Limited Partnership of which he is the sole general partner with sole voting and dispositive power, 250,626 shares of our Common Stock owned by The Pay It Forward Foundation of which he and his spouse are the trustees with shared voting and dispositive power, 17,317 shares of our Common Stock owned by a family trust of which he is the trustee with sole voting and dispositive power, 953 shares of our Common Stock owned by his spouse over which Mr. Horrigan may be deemed to have shared voting and dispositive power, 11,895 shares of our Common Stock that are issuable to him for vested restricted stock units granted to him

pursuant to the 2004 Stock Incentive Plan for which he has deferred receipt and 1,641 shares of our Common Stock that will be issuable to him for restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date for which he has deferred receipt. The address for Mr. Horrigan is 4 Landmark Square, Stamford, Connecticut 06901.

(4) Mr. Alden is a Director of the Company. The number of shares of our Common Stock owned by Mr. Alden consists of 30,834 shares of our Common Stock owned by him and 1,641 shares of our Common Stock that will be issuable to him for restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date.

(5) Mr. Jennings is a Director of the Company. The number of shares of our Common Stock owned by Mr. Jennings consists of 16,646 shares of our Common Stock owned by him, 12,439 shares of our Common Stock that are issuable to him for vested restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan for which he has deferred receipt and 1,641 shares of our Common Stock that will be issuable to him for restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date.

(6) Mr. Jordan is a Director of the Company. The number of shares of our Common Stock owned by Mr. Jordan consists of 2,020 shares of our Common Stock owned by him and 1,641 shares of our Common Stock that will be issuable to him for restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date.

(7) Mr. Lapekas is a Director of the Company. The number of shares of our Common Stock owned by Mr. Lapekas consists of 29,568 shares of our Common Stock owned by him, 6,287 shares of our Common Stock that are issuable to him for vested restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan for which he has deferred receipt and 1,641 shares of our Common Stock that will be issuable to him for restricted stock units granted to him pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date for which he has deferred receipt.

(8) Mr. Allott is a Director of the Company. The number of shares of our Common Stock owned by Mr. Allott consists of 232,787 shares of our Common Stock owned by him.

(9) The number of shares of our Common Stock owned by Mr. Lewis consists of 101,470 shares of our Common Stock owned by him.

(10) The number of shares of our Common Stock owned by Mr. Greenlee consists of 4,417 shares of our Common Stock owned by him.

(11) The number of shares of our Common Stock owned by Mr. Hogan consists of 41,407 shares of our Common Stock owned by him.

(12) The number of shares of our Common Stock owned by Mr. Snyder consists of 4,367 shares of our Common Stock owned by him.

(13) The number of shares of our Common Stock owned by all current executive officers and directors of the Company as a group includes 42,181 shares of our Common Stock that are issuable related to (i) vested restricted stock units granted pursuant to the 2004 Stock Incentive Plan for which receipt has been deferred and (ii) restricted stock units granted pursuant to the 2004 Stock Incentive Plan that will vest within 60 days after the Record Date.

(14) All information regarding JPMorgan Chase & Co. is based solely upon Amendment No. 5 to Schedule 13G filed by JPMorgan Chase & Co. with the SEC on January 25, 2016 on behalf of itself and certain of its wholly owned subsidiaries, reporting beneficial ownership as of December 31, 2015. JPMorgan Chase & Co. reported that it is the beneficial owner of 6,439,416 shares of our Common Stock on behalf of other persons known to have the right to receive dividends for such shares, the power to direct the receipt of dividends from such shares, the right to receive the proceeds from the sale of such shares and/or the right to direct the receipt of proceeds from the sale of such shares,

and that it has sole power to vote or direct the

vote for 6,121,239 shares of our Common Stock, shared power to vote or direct the vote for 54 shares of our Common Stock, sole power to dispose or direct the disposition of 6,439,375 shares of our Common Stock and shared power to dispose or direct the disposition of 41 shares of our Common Stock. The business address for JPMorgan Chase & Co. is 270 Park Avenue, New York, New York 10017, as reported in its Amendment No. 5 to Schedule 13G.

(15) All information regarding FMR LLC and related parties is based solely upon Amendment No. 5 to Schedule 13G filed by FMR LLC and certain related parties with the SEC on February 12, 2016, reporting beneficial ownership as of December 31, 2015. FMR LLC is a parent holding company which, along with members of the Johnson family, including Abigail P. Johnson (a Director, the Vice Chairman, the Chief Executive Officer and the President of FMR LLC), reported that it, along with certain of its subsidiaries and affiliates, (i) is the beneficial owner of 6,148,598 shares of our Common Stock, (ii) has sole power to vote or direct the vote for 122,386 shares of our Common Stock and (iii) has sole power to dispose or direct the disposition of 6,148,598 shares of our Common Stock. The business address for FMR LLC is 245 Summer Street, Boston, Massachusetts 02210, as reported in its Amendment No. 5 to Schedule 13G.

(16) All information regarding The Vanguaalign="bottom" width="1%" style="border-bottom: black double;"> 7,060.4626

The eight concessions total 7,060 hectares (17,445 acres). The Company owns 100% of the eight concessions pursuant to purchase agreements with the previous owners. A number of prior established concessions that are not owned by the Company are located within the largest concession, the Sierra Mojada concession. The Company holds title to the concessions that it owns subject to its obligation to maintain the concessions by conducting work on the concessions, recording evidence of the work with the Mexican Ministry of Mines and paying a semi-annual fee to the Mexican government.

Ownership of a concession provides the owner with exclusive exploration and exploitation rights of all minerals located on the concessions, but does not include the surface rights to the real property. Therefore, the Company will need to negotiate the necessary agreements, as needed, with the appropriate surface landowners if the Company determines that a mining operation is feasible for the concessions. The Company currently anticipates that it will build mining infrastructure needed on land owned by the local municipality. Initial communications with the municipality officials indicate that they will be willing to negotiate the necessary agreements.

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The concessions are located within a mining district known as the Sierra Mojada District (the "District"). The District is located in the west central part of the state of Coahuila, Mexico, near the Coahuila-Chihuahua state border approximately 200 kilometers south of the Big Bend of the Rio Grande River. See Exhibit 99.1 attached hereto and incorporated herein by reference for a map showing the location of the mine. 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. The District has high voltage electric power supplied by the national power company, Comision Federal de Electricidad, C.F.E. and is supplied water by the municipality of Sierra Mojada. The District is accessible from Torreon by vehicle via 250 kilometers of paved road. There is a well maintained, 1,100 meter, gravel airstrip in the District as well as a railroad connecting with the National Railway at Escalon and Monclova.

Over 45 mines have produced ore from underground workings throughout the approximately five kilometer by two kilometer area that comprises the District. The Company estimates that since its discovery in 1879, the District has produced about 10 million tons of high grade ore that was shipped directly to smelters. The District has never had a mill to concentrate ore and all mining conducted thus far has been limited to selectively mined ore of sufficient grade to direct ship to smelters. The Company believes that mill grade mineralization that was not mined remains available for extraction. The Company anticipates exploring and potentially developing the mill grade mineralization and the unexplored portions of the concessions.

The concessions contain two distinct mineral systems separated by the Sierra Mojada Fault which trends east-west along the base of the range. North of the fault mineralization composed of silver, copper, zinc, lead sulfide and oxide minerals. South of the fault the mineralization is oxide zinc and oxide lead minerals.

The sediments in the District are predominantly limestone and dolomite with some conglomerate, sandstone and shale and the bedding attitudes are near horizontal. The mines are dry and the rocks are competent. The thickness and attitude of the mineralized material is amenable to high volume mechanized mining methods and low cost production.

Much of the infrastructure required for a mine, including access to roads, electricity and rail lines, is already in place due to the historical mining operations conducted in the District. Results from mapping, sampling, drilling and inspection of existing workings indicate that large mineralized resources can be developed within and adjacent to the existing workings and in unexplored stratigraphic units outside of and below the existing mine workings. The Company anticipates that it would also build additional infrastructure, including mine access, a tailings pond and an extraction plant. The Company would also enter into agreements with the landowners of the concessions' surface rights upon completion of a feasibility study and finalization of a mine plan for the Project. The Company estimates that construction of a mine and extraction plant would cost approximately $400 million and take approximately two to three years to complete. The Company intends to finance this cost with a combination of equity and debt. In addition the Company may seek joint venture partners or other alternative financing sources as necessary to complete development of the Project.

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. The Company's facilities in Mexico include offices, residences, shops, warehouse buildings and mining equipment located at Calle Maria #1, La Esmeralda, Coahuila, Mexico. The Company's telephone and FAX number in Mexico is 52 872 761 5129. Electric power has been upgraded to 13,200 volts and lines run to the compound, the shops and the San Salvador and Encantada mines. The San Salvador and the Encantada mines have been electrified and the main levels are wired. San Salvador and Encantada head frames and hoists have been rebuilt and upgraded. In management's opinion, the Company's properties may not be adequately covered by insurance. The Company has chosen not to obtain such insurance for the Company's properties in Mexico because it would be difficult to obtain and the cost of such insurance would outweigh its value. In management's opinion, the Company's plant and equipment are in good condition and well maintained.

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ITEM 3. LEGAL PROCEEDINGS.

The Company is not currently a party to any legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

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PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's shares are traded on the Over-the-Counter Bulletin Board operated by the National Association of Securities Dealers, Inc. under the trading symbol "MMGG." The Company's shares began trading on November 19, 1996. A summary of trading by quarter for 2005, 2004, and 2003 follows:

Fiscal Quarter	High Bid(1)	Low Bid(1)
2005		
Fourth Quarter	1.25	0.84
Third Quarter	1.45	0.90
Second Quarter	2.09	1.35
First Quarter	2.31	1.55
2004		
Fourth Quarter	2.10	1.57
Third Quarter	3.25	1.64
Second Quarter	2.45	1.75
First Quarter	3.21	1.60
2003		
Fourth Quarter	2.00	1.18
Third Quarter	1.35	1.10
Second Quarter	1.40	1.01
First Quarter	1.45	1.20

(1) These quotations reflect inter-dealer prices, without retail markup, markdown, or commissions, and may not represent actual transactions.

As of October 31, 2005, the Company had approximately 300 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.

During the year ended October 31, 2003, the Company sold 7,000 common stock units with an ascribed cash value of $10,500. The Company also sold 849,000 shares (without warrants) at an average price of $0.98 per share. The Company also issued 100,000 shares of common stock under the Penoles agreement for cash, at $2.00 per share (see Note 12). Additionally, 373,925 shares of common stock valued at $468,771 were issued as compensation for officers. These shares were issued in private placement transactions without registration under the Securities Act in reliance upon the exemptions from the registration requirements provided by Section 4(2) and Rule 506 of Regulation D under the Securities Act.

During the year ended October 31, 2004, the Company issued a total of 7,580,150 shares of common stock to accredited investors for cash at $1.00 per share, realizing $6,881,287 after private placement costs of $698,863. Additionally, 141,286 shares of common stock valued at an aggregate of $155,214 were issued for services and

120,655 shares of common stock valued at an aggregate of $152,271 were issued as compensation to officers. These shares were issued in private placement transactions without registration under the Securities Act in reliance upon the exemptions from the registration requirements provided by Section 4(2) and Rule 506 of Regulation D under the Securities Act.

During the year ended October 31, 2005, the Company issued 476,404 shares of common stock for cash at an average of $0.98 per share, for a total received of $466,729. In connection with the sale of these shares, for each share sold the Company also issued a warrant to purchase one additional share of common stock at an exercise price of $1.25 per share. In addition, 176,772 shares of common stock valued at an aggregate of $176,772 were issued as compensation to officers and employees. These securities were issued in private placement transactions without registration under the Securities Act in reliance upon the exemptions from the registration requirements provided by Section 4(2) and Rule 506 of Regulation D under the Securities Act.

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ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

Plan of Operation

We are in the exploration stage and do not currently have any income from operating activities. The Company currently owns eight concessions that are located in the municipality of Sierra Mojada, Coahuila, Mexico. Our objective is to define sufficient mineral reserves on these concessions to justify the development of a mechanized mining operation (the "Project"). The Company conducts its operations in Mexico through its wholly owned Mexican subsidiary, Minera Metalin S.A. de C.V. At October 31, 2005, we had a working capital deficit of $35,526, minimal other capital resources available to meet obligations which normally can be expected to be incurred by similar companies. At October 31, 2005, we had a accumulated stockholder's equity of $4,782,760. At October 31, 2004 we had a working capital of $2,551,383, and a stockholder's equity of $7,441,419. Management must obtain additional financing to finance operations and invest in other business opportunities, however, no assurance can be given that we will be successful in obtaining additional financing or that other business opportunities will be found.

The Company's primary focus for the years ended October 31, 2004 and 2005 was to explore the Sierra Mojada concession to identify available mineral deposits and define a resource. The Company's plan of operation for the next 12 months is to conduct a feasibility study for the Company's Sierra Mojada Project to determine whether a mining operation may be profitably conducted on the Company's concessions. The study is expected to include a detailed engineering and economic valuation of the Iron Oxide Manto mineralized material with continued geologic mapping of the surface and underground workings, sampling and drilling to explore for additional mineralization, and compilation of the data into a computer data base for reserve calculation to determine whether a mining operation can be economically conducted on the Company's Sierra Mojada concessions. See "Description of Business."

In addition to the feasibility study, the Company's commitments include the general overhead of business operations, such as salaries, travel expenses, property maintenance and the sampling and drilling program. Thus far, the Company has spent a total of approximately $13.2 million during the exploration phase and continues to maintain the sampling and drilling program that is budgeted at approximately $50,000 per month, not including analytical costs which can vary from $20,000 to $40,000 per month. The Company estimates that completion of a feasibility study will cost approximately $5 million and the Company expects that it will take approximately 12 months to complete. Following the completion of a successful feasibility study, the Company would then proceed to the construction phase, which would entail construction of a mine and related infrastructure pursuant to a mine plan developed specifically for the Company's concessions, and construction of an extraction plant to extract metal from the ore that would be mined. The Company estimates that construction of a mine and extraction plant would cost approximately $400 million and take approximately 2 to 3 years to complete. The Company intends to finance this cost with a combination of equity and debt. In addition the Company may seek joint venture partners or other alternative financing sources as necessary to complete development of the Project.

In order to finance the feasibility study and the business operations described above, the Company has raised capital by selling unregistered shares of its common stock as described below in "*Liquidity and Capital Resources*."

Cautionary Note to Investors

The Company is an exploration stage company and does not currently have any known reserves and cannot be expected to have reserves unless and until a feasibility study is completed for the Sierra Mojada concessions that shows proven and probable reserves. There can be no assurance that the Company's concessions contain proven and probable reserves and investors may lose their entire investment in the Company. See "Risk Factors."

Liquidity and Capital Resources.

The Company financed its obligations during the fiscal year ended October 31, 2005 by the sale of 7,580,150 shares of its common stock during the previous fiscal year at an average price of $1.00 per share, less issuance costs of $698,863, and the sale of 476,404 shares of common stock during the year ended October 31, 2005 at an average price of $0.98 per share. During the three months ended January 31, 2006 the Company closed a private placement, which began during the fiscal year end October 31, 2005 on March 31, 2005. The Company issued a total of 13,945,636 shares of common stock at a price of $0.80 per share resulting in aggregate proceeds of $11,156,508.80. In connection with the sale of these shares, for each share sold, the Company also issued a warrant to purchase one additional share of common stock at an exercise price of $1.25 per share. The warrants are exercisable for a period of five years from their issuance.

The Company anticipates that the funds that it has raised will be sufficient to maintain operations for the next twelve months through the year ending October 31, 2006. However, as of the year ended October 31, 2005 there can be no assurance that the Company has sufficient funds to complete the feasibility study. If the Company is unable to raise additional capital, it may have to cease operations. Due to the Company's lack of revenues, the Company's independent certified public accountants included a paragraph in the Company's 2005 financial statements relative to a going concern uncertainty.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make a variety of estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting periods covered by the financial statements.

Our management routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increase, these judgments become even more subjective and complex. Although we believe that our estimates and assumptions are reasonable, actual results may differ significantly from these estimates. Changes in estimates and assumptions based upon actual results may have a material impact on our results of operation and/or financial condition. We have identified certain accounting policies that we believe are most important to the portrayal of our current financial condition and results of operations. Our significant accounting policies are disclosed in Note 2 to the Consolidated Financial Statements included in this Annual Report on Form 10-KSB.

Fair Value of Financial Instruments
The Company's financial instruments as defined by Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," include cash and cash equivalents, marketable securities, receivables, advances to employees, 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, 2005 and 2004.

Property Concessions
Costs of acquiring property concessions are capitalized by project area upon purchase or staking of the associated claims. Costs to maintain the property concessions and leases are expensed as incurred. When a property concession 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. To date no concessions have reached production stage.

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

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

Deferred tax assets and liabilities

The Company recognizes the expected future tax benefit from deferred tax assets when the tax benefit is considered to be more likely than not of being realized. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the Company's ability to obtain the future tax benefits.

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 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.

Accounting for Stock Options and Warrants Granted to Employees and Nonemployees

The Company currently reports stock issued to employees under the rules of SFAS No. 123 and therefore, the Company's accounting for stock options and warrants are not effected by the issuance of SFAS No. 123R.

In December 2004, the Financial Accounting Standards Board revised SFAS No. 123 and issued SFAS No. 123R.

The warrants were valued using the Black-Scholes option pricing model. The assumptions used were as follows: volatility of 58%, a risk-free interest rate of 3% and an exercise term of five years.

The fair value of 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%.

Impairment of Long-Lived Assets

We review the net carrying value of all facilities, including idle facilities, on a periodic basis. We estimate the net realizable value of each property based on the estimated undiscounted future cash flows that will be generated from operations at each property, the estimated salvage value of the surface plant and equipment and the value associated with property interests. These estimates of undiscounted future cash flows are dependent upon the estimates of metal to be recovered from proven and probable ore reserves and mineral resources expected to be converted into mineral reserves, future production cost estimates and future metals price estimates over the estimated remaining mine life. If undiscounted cash flows are less than the carrying value of a property, an impairment loss is recognized based upon the estimated expected future cash flows from the property discounted at an interest rate commensurate with the risk involved.

Environmental Matters

When it is probable that costs associated with environmental remediation obligations will be incurred and they are reasonably estimable, we accrue such costs at the most likely estimate. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study for such facility and are charged to provisions for closed operations and environmental matters. We periodically

review our accrued liabilities for such remediation costs as evidence becomes available indicating that our remediation liability has potentially changed. Costs of future expenditures for environmental remediation are not discounted to their present value unless subject to a contractually obligated fixed payment schedule. Such costs are based on our current estimate of amounts that are expected to be incurred when the remediation work is performed within current laws and regulations. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable.

Future remediation costs for inactive mines are accrued based on management's best estimate at the end of each period of the undiscounted costs expected to be incurred. Such costs estimates include, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates are reflected in earnings in the period an estimate is revised.

Accounting for reclamation and remediation obligations requires management to make estimates unique to each mining operation of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required. Any such increases in future costs could materially impact the amounts charged to earnings. At October 31, 2005 the Company has no accrual for reclamation and remediation obligations because management cannot make a reasonable estimate. Any reclamation or remediation costs related to abandoned concessions has been previously expensed.

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 154 ("SFAS No. 154"), "Accounting Changes and Error Corrections." This statement requires entities that voluntarily make a change in accounting principle to apply that change retrospectively to prior periods' financial statements, unless this would be impracticable. SFAS No. 154 supersedes APB Opinion No. 20, "Accounting Changes," which previously required that most voluntary changes in accounting principle be recognized by including in the current period's net income the cumulative effect of changing to the new accounting principle. SFAS No. 154 also makes a distinction between "retrospective application" of an accounting principle and the "restatement" of financial statements to reflect the correction of an error. SFAS No. 154 applies to accounting changes and error corrections that are made in fiscal years beginning after December 15, 2005. Management believes the adoption of this statement will not have an immediate material impact on the financial statements of the Company.

In March 2005, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 47 ("FIN 47"), "Accounting for Conditional Asset Retirement Obligations." FIN 47 clarifies that the term "conditional asset retirement obligation," which as used in SFAS No. 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The entity must record a liability for a "conditional" asset retirement obligation if the fair value of the obligation can be reasonably estimated. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Management believes the adoption of this statement will not have an immediate material impact on the financial statements of the Company.

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 153. This Statement addresses the measurement of exchanges of nonmonetary assets. The guidance in APB Opinion No. 29, "Accounting for Nonmonetary Transactions," is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. This statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of

nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement is effective for financial statements for fiscal years beginning after June 15, 2005. Earlier application is permitted for nonmonetary asset exchanges incurred during fiscal years beginning after the date of this statement is issued. Management believes the adoption of this statement will not impact the financial statements of the Company.

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 152, which amends SFAS Statement No. 66, "Accounting for Sales of Real Estate," to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, "Accounting for Real Estate Time-Sharing Transactions." This statement also amends SFAS No. 67, "Accounting for Costs and Initial Rental Operations of Real Estate Projects," to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects, does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This statement is effective for financial statements for fiscal years beginning after June 15, 2005. Management believes the adoption of this Statement will not impact the financial statements of the Company.

ITEM 7. FINANCIAL STATEMENTS.

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 6 of this report entitled "Management's Discussion and Analysis or Plan of Operation. The selected financial data for the two years ended October 31, 2005 have been derived from the Company's audited consolidated financial statements beginning on page F/A-1, and incorporated by reference herein.

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

Selected Financial Data

	2005	2004
Summary of Balance Sheets:		
Working capital	$ (35,526)	$ 2,551,383
Current assets	259,791	2,758,268
Total assets	5,085,442	7,659,878
Current liabilities	295,317	206,885
Long-term obligation	7,365	11,574
Total liabilities	302,682	218,459
Stockholder's equity	4,782,760	7,441,419
Summary of Statements of Operations:		
Revenues	0	0
Net loss (1)	(3,302,161)	(5,036,805)
Net loss per share	(0.16)	(0.30)

(1) Cumulative losses for period from inception (Nov. 8, 1993) through October 31, 2005 were $16,611,799.

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ITEM 8. 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.

ITEM 8A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures.

The Company's principal executive officer and principal financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, the Company's principal executive officer and principal financial officer have concluded that, as of the end of such period, the Company's disclosure control and procedures are effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting.

There was no change in the Company's internal control over financial reporting that occurred during the fiscal period to which this report relates that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 8B. OTHER INFORMATION.

Not Applicable.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

The officers and directors of the Company are as follows:

Name	Age	Position
Merlin Bingham	72	President and Chairman of the Board of Directors
Roger Kolvoord	65	Vice President-Business and Member of the Board of Directors
Wesley A. Pomeroy	51	Member of the Board of Directors

Terry J. Brown	46	Vice President-Operations
Wayne Schoonmaker	68	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.

The Company's Board of Directors is responsible for the oversight and management of the Company. The Board does not have a separately-designated standing audit committee because the entire Board of Directors acts as the Company's audit committee. The Board has not designated an audit committee financial expert, as that term is defined in the Exchange Act rules promulgated by the SEC, because of the size of the Board and because the Company is still an exploration stage company.

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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.

Roger Kolvoord - Vice President-Business and Director

Dr. 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 form 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.

Wesley A. Pomeroy - Director

Mr. Pomeroy was appointed to the Board of Directors in September 2005 to fill an existing vacancy. Mr. Pomeroy is currently President of The Joe Dandy Mining Company, with gold properties in Cripple Creek, Colorado, and 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. 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.
He resides in the Denver, Colorado area.

Terry J. Brown - Vice President-Operations

Mr. 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.

Wayne Schoonmaker - Secretary & Treasurer

Mr. Schoonmaker was appointed Secretary & Treasurer of the Company in August 1997 and has held that position since that time. He is also currently Secretary & Treasurer of Hanover Gold Company, Inc. of Spokane, Washington and Secretary & Treasurer and Director of Independence Lead Mines Company of Wallace, Idaho. During the period

of 1979 through 1993, Mr. Schoonmaker was employed at Asarco Incorporated as Chief Accountant of the Troy Mine and as Financial Manager of Asarco's Northwest Mining Department. 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 Secretary of Hecla Mining Company. 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.

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Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, the Company's directors, executive officers and beneficial owners of more than 10% of any registered class of the Company's equity securities are required to file reports of their ownership of the Company's securities and any changes in that ownership with the SEC. Based solely on its review of copies of these reports and on written representations from such reporting persons, the Company believes that during 2005 such filing requirements were complied with.

Code of Ethics

The Company has not yet adopted a code of ethics that applies to the Company's principal executive officer, and principal financial officer because of the limited size of the Company and its management team, and because the Company is still an exploration stage company.

ITEM 10. EXECUTIVE COMPENSATION.

Summary Compensation Table

The following table sets forth information concerning compensation received from the Company by each of the executive officers for services in all capacities to the Company and its subsidiaries for the last four years. This information includes the dollar value of base salaries, bonus awards and number of stock options granted, and certain other compensation, if any.

		Annual Compensation			Long-Term Compensation Awards	
Name and Principal Position	Fiscal Year ended	Salary (US$)	Bonus (US$)	Other Annual Compensation (US$)	Securities Underlying Options (#)	All Other Compensation (US$)
Merlin Bingham	2005	201,563	0	0	0	0
President	2004	101,563	0	60,938(1)	0	0
	2003	33,854	0	135,417(1)	0	0
	2002	48,000	0	40,625(1)	0	0
Roger Kolvoord	2005	81,250	0	0	0	0
Vice President	2004	118,750	0	74,479(1)	0	0
	2003	33,854	0	155,729(1)	0	0
	2002	0		0	100,000	0
Wayne Schoonmaker	2005	20,250	0	0		
Secretary, Treasurer	2004	20,250	0	18,563(1)	0	0
	2003	8,438	0	35,438(1)	0	0
	2002	12,000	0	10,125(1)	0	0

Terry Brown	2005	56,160	0	0	0	0
Vice President	2004	0	0	0	0	0
	2003	0	0	0	0	0
	2002	0	0	0	0	0

(1) Represents the value of 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.

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

Option Grants in 2005.

During the fiscal year ended October 31, 2005, the Company did not grant common stock options.

Aggregated Year-End Option Values

The following table sets forth information on unexercised options at October 31, 2005. None of the executive officers exercised any stock option during fiscal 2005.

	Number of Unexercised Securities Underlying Options (#)		Value of Unexercised In-the-Money Options(US$)(1)	
Name	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Merlin Bingham	100,000	0	0	0
Roger Kolvoord	100,000	0	0	0
Wayne Schoonmaker	50,000	0	0	0

(1) Because there was no positive spread between the respective exercise prices of outstanding stock options and the closing price of the Company's common stock on October 31, 2005 ($0.83), none of the options were in-the-money.

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 years ended October 31, 2001 and 2002, options for 350,000 shares and 100,000 shares, respectively, were granted to officers and directors of the Company. There were no options granted during the years ended October 31, 2003, 2004 and 2005. Options for 100,000 shares granted to Daniel E. Gorski expired upon his resignation in September 2004.

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.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

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.

	Amount and nature of beneficial

Name and Address of Beneficial owner	**ownership**	**% of Outstanding Shares**
Merlin Bingham 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	1,296,285	6.35%
Roger Kolvoord 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	356,891	1.75%
Wayne Schoonmaker 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	73,116	*
Wesley Pomeroy 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	50,000	*
Terry Brown 1330 E. Margaret Ave. Coeur d'Alene, ID 83815	0	*
All officers and directors as a group (5 persons)	1,549,520	8.46%
Britannia Holdings King's House The Grange St. Peter Port Guernsey Channel Islands	3,190,500	15.64%

* Less than 1%.

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EQUITY COMPENSATION PLAN INFORMATION

The following table provides information about the Company's common stock that may be issued upon the exercise of options, warrants and rights under the Company's equity compensation plans as of October 31, 2005.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by shareholders:	670,000	$ 1.56	0
Equity compensation plans not approved by shareholders:	1,163,887	$ 2.02	0
Total:	2,008,053	$ 1.87	0

Equity Compensation Plans Not Approved by Security Holders

Warrants

Thirty-three warrants to non-employees remained outstanding as of October 31, 2005. Such warrants were granted pursuant to the terms of a form warrant agreement, with each such grant authorized by the Board. These warrants have not been approved by the shareholders of the Company. The warrants have exercise prices ranging from $0.75 per share to $5.00 per share and have expiration dates ranging from June 2006 to January 2011.

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ITEM 12. CERTAIN RELATIONSHIPS AND RELATED 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 $9,560 in cash advances for travel to two of its officers at October 31, 2005 under an accountable plan per IRS Regulation Section 1.62.

ITEM 13. EXHIBITS.

The exhibits filed as part of this report and the exhibits incorporated herein by reference are listed in the Exhibit Index at page E-1.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Audit Fees: The aggregate fees and expenses billed by Williams & Webster, P.S. for professional services rendered for the audit of the Company's annual financial statements and the review of the financial statements included in the Company's periodic reports filed with the SEC on Forms 10-Q, were $18,409 and $21,647 for the fiscal years ended October 31, 2004 and 2005, respectively.

Audit Related Fees: There were no fees billed by Williams & Webster, P.S. for audit related services rendered during fiscal 2004 and 2005.

Tax Fees: There were no fees billed by Williams & Webster, P.S. for tax services rendered during fiscal 2004 and 2005.

All Other Fees: There were no other services provided by Williams & Webster, P.S. during fiscal 2004 and 2005.

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METALLINE MINING COMPANY
An Exploration Stage Company
October 31, 2005

SIGNATURES

In accordance with Section 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

Merlin Bingham, its
President
Date: May 30, 2006

By: /s/ Wayne Schoonmaker

Wayne Schoonmaker, its
Principal Accounting Officer
Date: May 30, 2006

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Merlin Bingham
Merlin Bingham
President/Director
Date: May 30, 2006

By: /s/ Wayne Schoonmaker
Wayne Schoonmaker
Secretary/Treasurer
Date: May 30, 2006

By: /s/ Roger Kolvoord
Roger Kolvoord
Vice President-Business/Director
Date: May 30, 2006

By: /s/ Wesley Pomeroy
Wesley Pomeroy
Director
Date: May 30, 2006

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METALLINE MINING COMPANY

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying consolidated balance sheets of Metalline Mining Company (a Nevada corporation and an exploration stage company) as of October 31, 2005 and 2004, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and for the period from November 8, 1993 (inception) to October 31, 2005. 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 audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit 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 audit provides 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 as of October 31, 2005 and 2004, and the results of its operations, stockholders' equity and its cash flows for the years then ended, and for the period from November 8, 1993 (inception) to October 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated 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.

/s/ Williams & Webster, P.S.

Williams & Webster, P.S.
Certified Public Accountants
Spokane, Washington
January 27, 2006

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

		October 31, 2005		October 31, 2004
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	213,369	$	1,384,030
Marketable securities		—		1,250,000
Accounts receivable		23,620		88,164
Prepaid expenses		13,242		2,052
Employee advances		9,560		34,022
Total Current Assets		259,791		2,758,268
PROPERTY CONCESSIONS				
Sierra Mojada, Mojada 3		15,875		15,875
Fortuna		76,725		76,725
Esmeralda		255,647		255,647
Esmeralda I		180,988		180,988
U.M. Nortenos, Vulcano		3,682,772		3,682,772
La Blanca		122,760		122,760
Total Property Concessions		4,334,767		4,334,767
EQUIPMENT				
Office and mining equipment, net		490,884		566,843
Total Equipment		490,884		566,843
TOTAL ASSETS	$	5,085,442	$	7,659,878
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	$	86,189	$	57,231
Accrued liabilities and expenses		189,046		145,445
Other liabilities		15,873		—
Note payable, current portion		4,209		4,209
Total Current Liabilities		295,317		206,885
LONG-TERM LIABILITIES				
Note payable, net of current portion		7,365		11,574
COMMITMENTS AND CONTINGENCIES		—		—
STOCKHOLDERS' EQUITY				
Preferred stock, $0.01 par value; 1,000,000 shares authorized, no shares outstanding		—		—
		204,047		197,515

Common stock, $0.01 par value; 50,000,000 shares authorized, 20,404,585 and 19,751,409 shares issued and outstanding, respectively				
Additional paid-in capital		19,852,673		19,064,992
Stock options and warrants		1,347,839		1,498,550
Deficit accumulated during exploration stage		(16,621,799)		(13,319,638)
Total Stockholders' Equity		4,782,760		7,441,419
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	5,085,442	$	7,659,878

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

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

	Years Ended October 31, 2005	Years Ended October 31, 2004	November 8, 1993 (Inception) to October 31, 2005
REVENUES	$ —	$ —	$ —
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and payroll expenses	797,104	633,019	3,237,617
Office and administrative expenses	309,483	299,172	988,946
Taxes and fees	95,353	108,220	489,441
Professional services	328,954	516,015	4,367,642
Property expenses	186,057	233,148	1,944,103
Depreciation	83,557	63,045	341,920
Exploration and research	1,666,884	3,374,049	5,334,086
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	3,467,392	5,226,667	16,703,754
LOSS FROM OPERATIONS	(3,467,392)	(5,226,667)	(16,703,754)
OTHER INCOME (EXPENSES)			
Miscellaneous ore sales, net of expenses	7,964	170,217	165,138
VAT tax refunds	119,615	—	119,615
Miscellaneous income	8,500	—	8,500
Interest and investment income	29,758	20,251	75,473
Interest and financing expense	(606)	(606)	(286,771)
TOTAL OTHER INCOME	165,231	189,861	81,954
LOSS BEFORE INCOME TAXES	(3,302,161)	(5,036,805)	(16,621,799)
INCOME TAXES	—	—	—
NET LOSS	$ (3,302,161)	$ (5,036,805)	$ (16,621,799)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.16)	$ (0.30)	
BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	20,014,313	17,025,631	

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

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

	Common Stock		Additional	Stock	Stock Options and Warrants	Accumulated Deficit During Exploration Stage	Total
	Number of Shares	Amount	Paid-in Capital	Subscriptions Receivable			
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)
3:1 common stock split	384,320	3,843	(3,843)	—	—	—	—
Net loss for the year ended October 31, 1995	—	—	—	—	—	(7,761)	(7,761)
Balances, October 31, 1995	576,480	5,765	(5,765)	—	—	(16,592)	(16,592)
Issuances 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
	150,000	1,500	13,500	—	—	—	15,000

- for computer equipment at $0.01 per share							
- 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)	127,567
Issuances 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 the year ended October 31, 1997	—	—	—	—	—	(582,919)	(582,919)
Balances, October 31, 1997	4,452,439	44,525	941,352	—	—	(640,181)	345,696
Issuances 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 the 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

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

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

	Common Stock		Additional	Stock	Stock	Accumulated Deficit During	
	Number of Shares	Amount	Paid-in Capital	Subscriptions Receivable	Options and Warrants	Exploration Stage	Total
Balance, October 31, 1998	6,092,739	$ 60,928	$ 2,757,694	$ (300,000)	$ 665,980	$ (2,035,197)	$ 1,149,405
Issuances 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 option 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 the year ended October 31, 1999	—	—	—	—	—	(1,423,045)	(1,423,045)
Balance, October 31, 1999	7,217,095	72,172	3,977,350	—	776,980	(3,458,242)	1,368,260
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
Issuances of common stock as follows:							
- for cash at an average 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 the year ended October 31, 2000	—	—	—	—	—	(882,208)	(882,208)
Balances, October 31, 2000	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
Issuances 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 the year ended October 31,	—	—	—	—	—	(2,069,390)	(2,069,390)

2001							
Balance, October 31, 2001	10,069,595	100,697	9,849,466	—	1,422,327	(6,409,840)	4,962,650
Issuances 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 the 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.

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

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Stock Subscriptions Receivable	Stock Options and Warrants	Accumulated Deficit During Exploration Stage	Total
Balance, October 31, 2002	10,368,340	$ 103,685	$ 10,280,713	$ —	$ 1,497,967	$ (7,175,605)	$ 4,706,760
Issuances of common stock as follows:							
- for cash at $2.00 per share	100,000	1,000	199,000	—	—	—	200,000
- for cash at an average of $0.98 per share	849,000	8,489	821,510	—	—	—	829,999
- for cash and warrants at $1.50 per share	7,000	70	9,847	—	583	—	10,500
- for compensation at an average of $1.25 per share	391,332	3,913	487,275	—	—	—	491,188
- for services at an average of $1.23 per share	91,383	914	119,320	—	—	—	120,234
- for subscriptions receivable at $1.00 per share	38,000	380	37,620	(38,000)	—	—	—
Net loss for the year ended October 31, 2003	—	—	—	—	—	(1,107,228)	(1,107,228)
Balance, October 31, 2003	11,845,055	118,451	11,955,285	(38,000)	1,498,550	(8,282,833)	5,251,453
Issuances of common stock as							

follows:							
- for cash at $1.00 per share, less issuance costs of $698,863	7,580,150	75,802	6,805,485	—	—	—	6,881,287
- for compensation at an average of $1.26 per share	120,655	1,207	151,064	—	—	—	152,271
- for services at various prices	141,286	1,413	153,801	—	—	—	155,214
Stock subscription received	—	—	—	38,000	—	—	38,000
Miscellaneous corrections and adjustments	64,263	643	(643)	—	—	—	—
Net loss for the year ended October 31, 2004	—	—	—	—	—	(5,036,805)	(5,036,805)
Balance, October 31, 2004	19,751,409	197,515	19,064,992	—	1,498,550	(13,319,638)	7,441,419
Common stock issued for cash at an average of $0.98 per share with attached warrants valued at an average of $0.28 per share	476,404	4,764	329,806	—	132,159	—	466,729
Common stock issued for compensation at an average of $1.00 per share	176,772	1,768	175,005	—	—	—	176,773
Expiration of stock warrants	—	—	282,870	—	(282,870)	—	—
Net loss for the year ended October 31, 2005	—	—	—	—	—	(3,302,161)	(3,302,161)
Balance, October 31, 2005	20,404,585	$ 204,047	$ 19,852,673	$ —	$ 1,347,839	$ (16,621,799)	$ 4,782,760

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

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

	Years Ended		Period from November 8, 1993 (Inception) to
	October 31, 2005	October 31, 2004	October 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (3,302,161)	$ (5,036,805)	$ (16,621,799)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	83,557	63,045	341,920
Noncash expenses	—	—	126,864
Common stock issued for services	—	155,214	966,538
Common stock issued for compensation	176,772	152,271	820,231
Stock options issued for services	—	—	801,892
Stock options issued for financing fees	—	—	276,000
Common stock issued for payment of expenses	—	—	326,527
Stock warrants issued for services	—	—	688,771
(Increase) decrease in:			—
Foreign property tax refund receivable	—	—	—
Marketable securities	1,250,000	(1,250,000)	—
Accounts receivable	64,544	(88,164)	(23,620)
Prepaid expenses	(11,190)	(1,926)	(13,242)
Employee advances	24,462	(13,122)	(9,560)
Increase (decrease) in:			
Accounts payable	28,959	(53,667)	86,189
Contracts payable	—	—	4,209
Accrued liabilities and expenses	59,474	137,484	220,703
Net cash used by operating activities	(1,625,583)	(5,935,671)	(12,008,378)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	—	—	(484,447)
Proceeds from investments	—	—	484,447
Equipment purchases	(7,598)	(328,746)	(792,781)
Mining property acquisitions	—	—	(4,452,631)
Net cash used by investing activities	(7,598)	(328,746)	(5,245,412)

CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from sales of common stock		466,729		6,881,287		16,370,187
Proceeds from sales of options and warrants		—		—		949,890
Deposits for sale of stock		—		38,000		125,500
Proceeds from shareholder loans		—		—		30,000
Payment of note payable		(4,209)		(4,209)		(8,418)
Net cash provided by financing activities:		462,520		6,915,078		17,467,159
Net increase (decrease) in cash and cash equivalents		(1,170,661)		650,661		213,369
Cash and cash equivalents beginning of period		1,384,030		733,369		—
Cash and cash equivalents end of period	$	213,369	$	1,384,030	$	213,369
SUPPLEMENTAL CASH FLOW DISCLOSURES:						
Income taxes paid	$	—	$	—	$	—
Interest paid	$	606	$	606	$	286,771
NON-CASH INVESTING AND FINANCING ACTIVITIES:						
Common stock issued for services	$		$	155,214	$	966,538
Common stock issued for compensation	$	176,772	$	152,271	$	820,231
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	$	—	$	—	$	801,892
Warrants issued for services	$	—	$	—	$	688,771
Noncash expenses	$	—	$	—	$	126,864

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

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METALLINE MINING COMPANY
(AN EXPLORATION STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OCTOBER 31, 2005

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. 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 expects to engage in the business of mining. The Company currently owns concessions located in Sierra Mojada, Coahuila, Mexico. The Company conducts its operations in Mexico through its wholly owned subsidiary corporation, Minera Metalin S.A. de C.V. ("Minera Metalin").

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.

Accounts Receivable
The Company carries its accounts receivable at cost. On a periodic basis, the Company evaluates its accounts receivable and determines if an allowance for doubtful accounts is 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all bank accounts, certificates of deposit, money market accounts and short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

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

Concentration of Risk
The Company maintains its domestic cash in two commercial depository accounts. One of these accounts is insured by the Federal Deposit Insurance Corporation (FDIC) for up to $100,000. The other account consists of money market funds, certificates of deposit and preferred securities, all of which are not insured. The Company also maintains cash in banks in Mexico. These accounts, which had U.S. dollar balances of $30,110 and $61,616 at October 31, 2005 and 2004, respectively, are denominated in pesos and are considered uninsured. Additionally, the Company maintained Mexican petty cash balances of $428 and $4,864 at October 31, 2005 and 2004, respectively. At October 31, 2005, the Company's cash balances included $114,965 which was not federally insured.

Derivative Instruments
The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," (hereinafter "SFAS No. 133") 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" and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the consolidated 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.

During the years ended October 31, 2005 and 2004, the Company has not engaged in any transactions that would be considered derivative instruments or hedging activities.

Earnings Per Share
The Company has adopted Statement of Financial Accounting Standards 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, 2005 and 2004, they were not included in the calculation of earnings per share because they would have been considered anti-dilutive. Common stock equivalents outstanding were 1,833,887 and 1,647,665 at October 31, 2005 and 2004, respectively.

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METALLINE MINING COMPANY
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Use of 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.

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, 2005 and 2004 were $1,666,884 and $3,374,049, respectively. The exploration costs expensed during the Company's exploration stage amount to $5,334,086.

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 property concessions. Should the Company locate a commercially minable reserve, the Company would expect to actively prepare the site for extraction.

Fair Value of Financial Instruments
The Company's financial instruments as defined by Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," include cash and cash equivalents, marketable securities, receivables, advances to employees, 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, 2005 and 2004.

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.

Foreign Operations
The accompanying balance sheet at October 31, 2005 contains Company assets in Mexico, including: $4,334,767 in property concessions; $514,855 (before accumulated depreciation) of mining equipment; and $30,538 of cash. 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.

Going Concern
As shown in the accompanying financial statements, the Company has no revenues, has incurred a net loss of $3,302,161 for the year ended October 31, 2005 and has an accumulated deficit of $16,621,799. These factors indicate that the Company may be unable to continue in existence. The financial statements do not include 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. The Company is currently operating on the cash proceeds of a private placement offering currently in progress.

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Marketable Securities
Pursuant to Statement of Financial Accounting Standards No. 115, the Company classifies marketable securities as trading, available-for-sale, or held-to-maturity. During the year ended October 31, 2004, the Company invested $1,250,000 in total-return mutual funds consisting of equities, convertible debt and high-yield securities, and classified them as trading. During the year ended October 31, 2005, these securities were sold and the proceeds were used in the operations of the Company. The Company did not hold marketable securities at October 31, 2005.

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, after elimination of intercompany accounts and transactions. The wholly owned subsidiary of the Company is listed in Note 1.

Property Concessions
Costs of acquiring property concessions are capitalized by project area upon purchase or staking of the associated claims. Costs to maintain the property concessions and leases are expensed as incurred. When a property concession 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.

Property concessions are periodically assessed for impairment of value and any diminution in value is charged to operations at the time of impairment. Should a property concession be abandoned, its capitalized costs are charged to operations. The Company charges to operations the allocable portion of capitalized costs attributable to property concessions sold. Capitalized costs are allocated to property concessions abandoned or sold based on the proportion of claims abandoned or sold to the claims remaining within the project area.

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 or accelerated methods over the expected useful lives of the assets. See Note 3.

Provision for Taxes
Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (hereinafter "SFAS No. 109"). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard imposed by SFAS No. 109 to allow recognition of such an asset.

At October 31, 2005, the Company had net deferred tax assets calculated at an expected rate of 34% of approximately $4,618,000, principally arising from net operating loss carryforwards 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, there is a valuation allowance equal to the net deferred tax asset.

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METALLINE MINING COMPANY
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The significant components of the deferred tax assets at October 31, 2005 and 2004 were as follows:

		October 31, 2005		October 31, 2004
Net operating loss carryforward	$	13,582,000	$	10,456,000
Deferred tax asset	$	4,618,000	$	3,555,000
Deferred tax asset valuation allowance	$	(4,618,000)	$	(3,555,000)

At October 31, 2005, the Company has net operating loss carryforwards of approximately $13,582,000, which expire in the years 2008 through 2025. The Company has recognized approximately $1,491,000 of losses from the issuance of stock options and warrants for services through fiscal 2005, which were not deductible for tax purposes. The change in the allowance account from October 31, 2004 to 2005 was $1,063,000. The Company has immaterial temporary differences resulting from differences in tax depreciation of equipment.

During 2005, the Company received value added tax refunds from the Mexican government in the amount of $119,615.

Recent Accounting Pronouncements
In May 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 154 ("SFAS No. 154"), "Accounting Changes and Error Corrections." This statement requires entities that voluntarily make a change in accounting principle to apply that change retrospectively to prior periods' financial statements, unless this would be impracticable. SFAS No. 154 supersedes APB Opinion No. 20, "Accounting Changes," which previously required that most voluntary changes in accounting principle be recognized by including in the current period's net income the cumulative effect of changing to the new accounting principle. SFAS No. 154 also makes a distinction between "retrospective application" of an accounting principle and the "restatement" of financial statements to reflect the correction of an error. SFAS No. 154 applies to accounting changes and error corrections that are made in fiscal years beginning after December 15, 2005. Management believes the adoption of this statement will not have an immediate material impact on the financial statements of the Company.

In March 2005, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 47 ("FIN 47"), "Accounting for Conditional Asset Retirement Obligations." FIN 47 clarifies that the term "conditional asset retirement obligation," which as used in SFAS No. 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The entity must record a liability for a "conditional" asset retirement obligation if the fair value of the obligation can be reasonably estimated. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. Management believes the adoption of this statement will not have an immediate material impact on the financial statements of the Company.

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 153. This Statement addresses the measurement of exchanges of nonmonetary assets. The guidance in APB Opinion No. 29, "Accounting for Nonmonetary Transactions," is based on the principle that exchanges of

nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. This statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement is effective for financial statements for fiscal years beginning after June 15, 2005. Earlier application is permitted for nonmonetary asset exchanges incurred during fiscal years beginning after the date of this statement is issued. Management believes the adoption of this statement will not impact the financial statements of the Company.

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In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 152, which amends SFAS Statement No. 66, "Accounting for Sales of Real Estate," to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, "Accounting for Real Estate Time-Sharing Transactions." This statement also amends SFAS No. 67, "Accounting for Costs and Initial Rental Operations of Real Estate Projects," to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects, does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This statement is effective for financial statements for fiscal years beginning after June 15, 2005. Management believes the adoption of this Statement will not impact the financial statements of the Company.

Revenue Recognition Policy
The Company recognizes revenue when there is a mutually executed contract, the contract price is fixed and determinable, delivery of the product has occurred, and collectibility of the contract price is considered probable. As of October 31, 2005, the Company has not recognized revenues.

Stock-Based Compensation
Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (hereinafter "SFAS No. 123"), defines a fair value-based method of accounting for stock options and other equity instruments. The Company has adopted this method, which measures compensation costs based on the estimated fair value of the award and recognizes that cost over the service period.

NOTE 3 - 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.

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The following is a summary of property, equipment, and accumulated depreciation at October 31, 2005 and 2004:

	2005	2004
Mining equipment	$ 514,855	$ 507,257
Buildings and structures	141,061	141,061
Land - non mineral	15,839	15,839
Vehicles	42,068	42,068
Computer equipment	88,787	88,787
Office equipment	4,183	4,183
Furniture and fixtures	8,185	8,185
	814,978	807,380
Less: Accumulated depreciation	(324,094)	(240,537)
	$ 490,884	$ 566,843

Depreciation expense for the years ended October 31, 2005 and 2004 was $83,557 and $63,045, 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 4 - CONCESSIONS IN THE SIERRA MOJADA DISTRICT

Sierra Mojada Mining Concessions
During the period of August 23, 1996 to July 18, 2000, the Company executed six separate agreements for the acquisition of eight concessions in the mining region known as the Sierra Mojada District located in Sierra Mojada, Coahuila, Mexico. Each agreement enabled the Company to explore the underlying concession in consideration for the payment of stipulated annual payments. Each of the concession agreements included an option to purchase the concession and the annual payments, which were applied in full toward the contracted purchase price of the related concession.

The Company subsequently completed the purchase of the eight concessions, as follows: Esmeralda, consisting of approximately 118 hectares, on March 20, 1997; Fortuna, consisting of approximately 14 hectares, on December 8, 1999; Sierra Mojada and Mojada 3, consisting of approximately 4,767 and 1,689 hectares, respectively, on May 30, 2000; Unificacion Mineros Nortenos and Vulcano, consisting of approximately 337 and 4 hectares, respectively, on August 30, 2000; Esmeralda I, consisting of approximately 98 hectares, on August 20, 2001; and La Blanca, consisting of approximately 34 hectares, on August 20, 2001. The Company has recorded the concessions at acquisition cost.

All of the concessions were acquired by purchase agreements with Mexican entities and/or Mexican individuals and all of the concessions were paid for in cash. In the acquisition of Sierra Mojada and Mojada 3 there was one purchase agreement for both concessions. Also, in the acquisition of Unificacion Mineros Nortenos and Vulcano, there was one purchase agreement for both concessions.

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Because all eight concessions are located in the Sierra Mojada Mining District and in close proximity to one another, the concessions are routinely treated as one major prospect area and are collectively referred to as the Sierra Mojada Project. The primary work performed on the Company's concessions has consisted of geologic mapping, sampling, and drilling. This work has resulted in establishing the presence of mineralized material (zinc) of sufficient quantity and grade to justify in the Company's opinion a feasibility study, which commenced during 2005.

NOTE 5 - LONG-TERM LIABILITIES

The Company's long-term liabilities at October 31, 2005 and 2004 are as follows:

		2005		2004
Note payable to bank, due July of 2008, monthly principal and interest payments at 4.94%, collateralized by a vehicle	$	11,574	$	15,783
Less: Current portion		(4,209)		(4,209)
	$	7,365	$	11,574

Loan maturities for each of the five years following October 31, 2005 are as follows:

2006	$	4,209
2007		4,537
2008		2,828
2009		—
2010		—
	$	11,574

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 $9,560 in cash advances for travel to two of its officers at October 31, 2005 under an accountable plan per IRS Regulation Section 1.62.

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. At October 31, 2005, there were no shares of preferred stock issued or outstanding.

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NOTE 8 - COMMON STOCK

In March 2005, the Company's board of directors authorized a private placement of up to 5,333,334 shares of the Company's restricted common stock at a price of $1.125 per share for total proceeds of $6,000,000. Purchasers of these shares will also receive a warrant to purchase one share of the Company's common stock at an exercise price of $2.00 per share with an exercise period of five years. In September 2005, a modification of the private placement terms was authorized. The modified terms allow for the issuance of 7,500,000 shares of common stock at a price of $0.80 per share, a warrant exercise price of $1.25 per share and an exercise period of five years.

During the year ended October 31, 2005, the Company issued 476,404 shares of common stock, under the aforementioned private placement, for cash consideration at an average of $0.98 per share with attached warrants valued at an average of $0.28 per share (see Note 10). In addition, 176,772 shares of common stock were issued to officers and employees of the Company at an average of $1.00 per share in consideration for accrued wages.

During the year ended October 31, 2004, the Company issued 7,580,150 shares of common stock for cash consideration at $1.00 per share less issuance costs of $698,863. Officers of the Company were issued 120,655 shares at an average of $1.26 per share in payment of accrued wages. The Company also issued 141,286 shares in exchange for services received. See Note 13.

During the year ended October 31, 2003, the Company sold 7,000 common stock units with an ascribed cash value of $10,500. The Company also sold 849,000 shares at an average price of $0.98 per share. The Company also issued 100,000 shares of common stock under the Penoles agreement for cash, at $2.00 per share. Additionally, 373,925 shares of common stock valued at $468,771 were issued as compensation to officers.

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. 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, 2001, the Company issued 20,000 shares of common stock for the exercise of warrants valued at $10,760 and for cash of $15,000. Additionally, 57,000 shares of common stock were issued for services valued at $112,680 and for 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 receivables, and a subscription receivable of $300,000, between February and October 1998.

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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 were issued for services valued at $95,000.

During November 1995, the Company's directors approved the issuance of 45,000 shares of common stock for services rendered at $0.01 per share. 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 per share to Messrs. 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.

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.

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

During the years ended October 31, 2005 and 2004, the Company did not grant common stock options.

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.

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Following is a summary of the Company's stock option activity during the years ending October 31, 2005 and 2004:

	Shares	Weighted Average Exercise Price
Options outstanding at November 1, 2003	770,000	$ 1.67
Granted	—	—
Canceled	(100,000)	2.15
Exercised	—	—
Options outstanding at October 31, 2004	670,000	1.56
Granted	—	—
Canceled	—	—
Exercised	—	—
Options outstanding at October 31, 2005	670,000	$ 1.56

On March 1, 2001, the Company's shareholders approved a qualified stock option plan (the "Plan"), which provides for non-statutory and incentive stock options for employees, directors and consultants, and has reserved a total of 1,000,000 shares of common stock for issuance pursuant to the Plan.

Summarized information about stock options outstanding and exercisable at October 31, 2005 is as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$1.25	100,000	3.77	$ 1.25	100,000	$ 1.25
1.32	370,000	0.93	1.32	370,000	1.32
2.15	200,000	4.33	2.15	200,000	2.15
$1.25-2.15	670,000	2.37	$ 1.56	670,000	$ 1.56

NOTE 10 - STOCK WARRANTS

During the year ended October 31, 2005, the Company issued 476,404 common stock units that consisted of 476,404 shares of common stock and warrants to purchase an additional 476,404 shares of common stock. As part of the total cash purchase, the warrants were valued at $132,159. The warrants were valued using the Black-Scholes option pricing model. The assumptions used were as follows: volatility of 58%, a risk-free interest rate of 3% and an exercise term of five years. During 2005, 290,182 stock warrants expired. As of October 31, 2005, 1,163,887 stock warrants were outstanding and exercisable.

During 2004, the Company did not issue stock warrants. At October 31, 2004, 977,665 stock warrants were outstanding and exercisable.

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During the year ended October 31, 2003, the Company issued 7,000 common stock units that consisted of 7,000 shares of common stock and warrants to purchase an additional 2,333 shares of common stock. As part of the total cash purchase, the warrants were valued at $583.

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 were valued at $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.

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 property concessions, 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 AGREEMENTS

Penoles 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% interest in certain mining concessions located in the Sierra Mojada region of Coahuila, Mexico. The earn-in right was 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 $2.00 per share. As of October 31, 2003, Penoles had purchased 150,000 shares of common stock under this agreement. See Note 8.

During the year ended October 31, 2003, the Company received reimbursement of $151,536 from Penoles for expenses incurred by Metalline, which were applied toward an aggregate $85,712 of qualified expenditures incurred by Penoles. In November 2003, the agreement between the Company and Minas Penoles was terminated by the Company.

Northern Limited
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 North Limited's agreement with the Company.

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EXHIBIT INDEX

EXHIBIT NO.	EXHIBIT
3.1	Articles of Incorporation of Metalline Mining Company. 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	Amended and Restated Bylaws of Metalline Mining Company. Filed as an exhibit to the registrant's current report on Form 8-K filed on September 14, 2005 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	Reference is made to Exhibits 3.1, 3.2 and 3.3.
21.1	Subsidiaries of Metalline Mining Company. Filed as an exhibit to the registrant's Form 10-KSB filed on Jaunary 31, 2006 and incorporated by reference herein.
23.1	Consent of Williams & Webster, P.S. Filed as an exhibit to the registrant's Form 10-KSB filed on Jaunary 31, 2006 and incorporated by reference herein.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act. Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act. Filed herewith.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350. Furnished herewith.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350. Furnished herewith.
99.1	Sierra Mojada location map. Filed as an exhibit to the registrant's Form 10-KSB filed on Jaunary 31, 2006 and incorporated by reference herein.