

ELGIN

– M I N I N G –

FOR IMMEDIATE RELEASE

ELGIN MINING REPORTS GAIN IN FIRST QUARTER 2010

LOUISVILLE, KY, May 12, 2010 – Elgin Mining Inc. (TSX: ELG) (formerly Phoenix Coal Inc., TSX: PHC) (“Elgin” or the “Company”) reported its financial results for the three months ended March 31, 2010. The consolidated financial statements for the three months ended March 31, 2010 and notes thereto, along with Management's Discussion and Analysis are available at www.sedar.com and www.elginmining.com. Unless otherwise noted, all financial information is expressed in U.S. dollars.

First Quarter 2010 Highlights

During the three months ended March 31, 2010:

- For the three months ended March 31, 2010, the Company generated net income of approximately \$4.8 million, or \$0.09 per fully diluted share. The Company does not expect to pay income taxes on the quarterly gain because it can use previously generated NOLs from prior periods.
- In March 2010, the Company announced it had entered into a definitive agreement to sell the Gryphon Reserves, which are comprised of the property leases controlled through the acquisition of Pact Resources, LLC and the Petersburg sublease, and certain other associated assets, to a major U.S. coal producer for \$23 million in cash. The Company subsequently closed the transaction on May 4, 2010.
- In February 2010, the Company sold its Panama South Reserves to a major U.S. coal producer for \$10 million in cash. The sale resulted in a gain of approximately \$8.8 million.
- At March 31, 2010, the Company had approximately \$26.1 million in cash and cash equivalents. The Company also had restricted cash, cash equivalents and certificates of deposit as collateral for letters of credit for reclamation bonding and escrowed funds from the sale of its surface mining operations of approximately \$6.4 million. At May 7, 2010, after the closing of the sale of the Gryphon Reserves, the Company had total cash, cash equivalents and certificates of deposit (restricted and unrestricted) of approximately \$53 million.

- On March 29, 2010, the Company announced that Robert M. Buchan would assume the role of CEO in addition to his existing role as Chairman.

About Elgin Mining Inc. (formerly Phoenix Coal Inc.)

Elgin Mining Inc. is located in Toronto, Ontario and is currently evaluating the potential acquisition of assets in the global natural resource sector. For additional information, visit www.elginmining.com.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this press release contains "forward-looking statements", and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include the expected timing of the commencement of trading of Elgin's shares and warrants on a consolidated basis and management's assessment of Elgin's future plans and operations and are based on Elgin's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "expects" "anticipates", "believes", "projects", "plans", and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Elgin's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Elgin undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

The TSX has neither approved nor disapproved of the contents of this press release.

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