

This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

This is the circular we referred to in the June 26, 2017 rights offering notice, which you should have already received. Your rights certificate and relevant forms were enclosed with the rights offering notice. This circular should be read in conjunction with the rights offering notice and our continuous disclosure prior to making an investment decision.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state of the "United States" (as defined in Regulation S under U.S. Securities Act). This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the 1933 Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. "United States" and "U.S. persons" are as defined in Regulation S under the 1933 Act.

Rights Offering Circular

June 26, 2017



RED EAGLE MINING CORPORATION

We currently have sufficient working capital to last one month. We require 50% of the offering to last 12 months.

References in this circular to we, our, us and similar terms mean to Red Eagle Mining Corporation ("**Red Eagle Mining**"). References in this circular ("**Circular**") to you, your and similar terms mean to holders of Red Eagle Mining's common shares. Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars.

We are issuing to the holders of our outstanding common shares ("**Common Shares**") of record at the close of business on July 5, 2017 (the "**Record Date**") and who are resident in a province or territory of Canada (the "**Eligible Jurisdictions**"), rights ("**Rights**") to subscribe for Units (as defined herein) on the terms described in this Circular. The purpose of this Circular is to provide you with detailed information about your rights and obligations in respect of this rights offering. This Circular should be read in conjunction with the rights offering notice which has been filed on SEDAR at www.sedar.com and will be mailed to the registered holders of our Common Shares.

**If you have questions or require assistance with exercising your Rights,
you may contact Red Eagle's Information Agent:**

Laurel Hill Advisory Group

North American Toll-Free Number: 1-877-452-7184

Collect Calls Outside North America: 1-416-304-0211

Email: assistance@laurelhill.com

SUMMARY OF THE RIGHTS OFFERING

What is being offered?	Each holder of Common Shares on the Record Date who is resident in an Eligible Jurisdiction will receive one Right for every one Common Share held. No fractional Common Shares will be issued on the exercise of any Rights.
Who is eligible to receive Rights?	The Rights are offered only to shareholders resident in Eligible Jurisdictions (the “ Eligible Holders ”). Shareholders will be presumed to be resident in the place shown on their registered address, unless the contrary is shown to our satisfaction. Neither the rights offering notice nor this Circular is to be construed as an offering of the Rights, nor are the Units (as defined below) issuable upon exercise of the Rights offered for sale, in any jurisdiction outside of Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the “ Ineligible Holders ”). Instead, Ineligible Holders will be sent a letter from Red Eagle Mining describing how Ineligible Holders may participate in the Rights Offering. See “ <i>How to exercise the Rights? Who is eligible to receive the Rights?</i> ”
What does one Right entitle you to receive?	<p>An Eligible Holder is entitled to purchase one Unit (as defined below) for every two Rights held at a subscription price of \$0.35 per Unit (the “Basic Subscription Privilege”) until 4:00 p.m. (Toronto time) on August 4, 2017.</p> <p>Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Units at the subscription price (the “Additional Subscription Privilege”). The Units available under the Additional Subscription Privilege will be the Units issuable under the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by August 4, 2017. Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc. (the “Depositary”)</p>
What is the subscription price?	\$0.35 per Unit (the “ Subscription Price ”)
When does the offer expire?	4:00 pm (Toronto time) on August 4, 2017 (the “ Expiry Time ”).
What are the significant attributes of the Rights issued under the Rights offering and the securities to be issued upon the exercise of the Rights?	<p>An Eligible Holder is entitled to purchase one Unit (as defined below) for every Right held.</p> <p>Each unit (a “Unit”) consists of:</p> <ol style="list-style-type: none">(1) One Common Share; and(2) One transferable common share purchase warrant (a “Warrant”) exercisable into one Common Share at a purchase price of \$0.50 per Common Share for a period of 5 years from the issue date. Red Eagle Mining will make an application to have the Warrants listed on the Toronto Stock Exchange (the “TSX”). Any such listing

will be subject to fulfilling all of the listing requirements of the TSX.

We are authorized to issue an unlimited number of Common Shares, of which, as at the date hereof, 265,025,121 are issued and outstanding. Holders of Common Shares are entitled to dividends if, as and when declared by our directors, to one vote per share at meetings of our shareholders and, upon liquidation, to receive such assets of Red Eagle Mining as are distributable to the holders of the Common Shares.

What are the minimum and maximum number or amount of Common Shares that may be issued under the rights offering?

There is no minimum offering.

Up to a maximum of 132,512,561 Common Shares are issuable upon the exercise of Rights, and up to an additional maximum of 132,512,561 Common Shares are issuable pursuant to the exercise of Warrants.

Where will the Rights and the Common Shares issuable upon exercise of the Rights be listed for trading?

The Common Shares are listed on the TSX under the trading symbol "R" and will commence trading "Ex Rights" on June 30, 2017.

The Warrants will be listed for trading on the TSX subject to fulfillment of minimum listing conditions.

The Rights will trade on the TSX under the trading symbol "R.RT" until 12:00 p.m. (Toronto time) on August 4, 2017.

The Units will not trade on the TSX, and no certificates representing the Units will be issued. **There is no market through which the Units may be sold.**

FORWARD-LOOKING STATEMENTS

This circular contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements reflect our current expectations or beliefs based on information currently available to us. Forward-looking statements in this circular include, without limitation, statements with respect to: our expectations regarding market opportunities in certain businesses, our expectations regarding the estimated costs of the rights offering and the net proceeds to be available upon completion; the use of proceeds from the rights offering and the availability of funds from sources other than the rights offering.

Forward-looking statements are subject to a number of risks and uncertainties that may cause Red Eagle Mining's actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Red Eagle Mining. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to closing of the rights offering and any commitments, the trading of the Rights, the value of the Rights, our ability to cancel the offering, delays in obtaining or failure to obtain required approvals to complete the rights offering, market risks in the business operated by us, and other risks related to our business and the rights offering.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Red Eagle Mining disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although we believe that the assumptions inherent in the forward-looking statements are reasonable,

forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

USE OF AVAILABLE FUNDS

What will our available funds be upon closing of the offering?

We estimate that after giving effect to the offering, we will have the following funds available:

		Assuming 15% of offering	Assuming 50% of offering	Assuming 75% of offering	Assuming 100% of offering
A	Amount to be raised by this offering	\$6,956,909	\$23,189,698	\$34,784,547	\$46,379,396
B	Selling commissions and fees	\$0	\$0	\$0	\$0
C	Estimated offering costs (e.g., legal, accounting, audit)	\$100,000	\$100,000	\$100,000	\$100,000
D	Available funds: D = A - (B+C)	\$6,856,909	\$23,089,698	\$34,684,547	\$46,279,396
E	Additional sources of funding required	\$8,143,091	N/A	N/A	N/A
F	Working capital deficiency	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
G	Total: G = (D+E) - F	\$0	\$8,089,698	\$19,784,547	\$31,279,396

How will we use the available funds?

The following table provide a breakdown of how we intend on using our available funds:

Description of intended use of available funds listed in order of priority.	Assuming 15% of offering	Assuming 50% of offering	Assuming 75% of offering	Assuming 100% of offering
Paste Back Fill Plant	N/A	\$3,000,000	\$3,000,000	\$3,000,000
Underground Delineation Drilling	N/A	\$2,000,000	\$2,000,000	\$2,000,000
Underground Development	N/A	\$3,089,698	\$10,000,000	\$10,000,000
Working Capital	N/A	N/A	\$4,784,547	\$16,279,396
Total:	N/A	\$8,089,698	\$19,784,547	\$31,279,396

How long will the available funds last?

We expect that after completion of the Offering (assuming receipt of 50% of the offering), we will have sufficient available funds to satisfy our anticipated expenditures over the next 12 months.

INSIDER PARTICIPATION

Who are the holders of 10% or more of our Common Shares before and after the rights offering?

To our knowledge, there are no persons who currently hold 10% or more of our Common Shares or who would hold 10% or more upon completion of the rights offering except the following:

Name	Holdings before the offering		Holdings after the offering assuming full exercise of all Rights and no exercise of Warrants	
	Number	%	Number	%
Liberty Metals and Mining Holdings, LLC	43,122,710	16.27%	64,684,065	16.27%

DILUTION

If I do not exercise my Rights, by how much will my security holdings be diluted?

Assuming issuance of the maximum number of Common Shares under the rights offering, your shareholdings will be diluted by 50% upon closing of the rights offering or 100% assuming exercise of 100% of the warrants.

HOW TO EXERCISE THE RIGHTS

Subscriptions for Units made in connection with this rights offering either directly or through a Participant will be irrevocable.

How do I participate in the rights offering if I am a registered shareholder?

If you are a registered holder of Common Shares, Rights will be evidenced either by a rights certificate or statements issued under the Depository's direct registration system (the "**Rights Certificate**") representing the total number of transferable Rights to which you are entitled as at the Record Date has been mailed to you with a copy of the rights offering notice. To exercise the Rights represented by the Rights Certificate, you must complete and deliver the Rights Certificate in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights Certificate and delivery to the Depository will only be effective when actually received by the Depository at its subscription office, see "*Appointment of Depository- Who is the Depository?*" Rights Certificates and payments received after the Expiry Time will not be accepted.

In order to exercise your Rights you must:

1. **Complete and sign Form 1 on the Rights Certificate.** The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown in the box on the upper right hand corner of the face of the Rights Certificate. If you complete the Form 1 so as to exercise some but not all of the Rights evidenced by the Rights Certificate, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Depository at the time the Rights Certificate is surrendered to the Depository.

2. **Additional Subscription Privilege.** Complete and sign Form 2 on the Rights Certificate only if you also wish to participate in the Additional Subscription Privilege. See “*How to exercise the Rights? - What is the Additional Subscription Privilege?*” below.
3. **Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc.** To exercise the Rights you must pay \$0.35 per Unit. In addition to the amount payable for any Units you wish to purchase under the Basic Subscription right, you must also pay the amount required for any Units subscribed for under the Additional Subscription Privilege (as described on page 8).
4. **Delivery.** Deliver or mail the completed Rights Certificate and payment in the enclosed return envelope addressed to the Depository so that it is received by the subscription office of the Depository set forth below before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery.

The signature of the Rights Certificate holder must correspond in every particular way with the name that appears on the face of the Rights Certificate.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Depository. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Depository is under any duty to give any notice of any defect or irregularity in any subscription, nor will we be liable for the failure to give any such notice.

How do I participate in the rights offering if I am not a registered shareholder?

You are a beneficial Eligible Holder if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Depository will have any liability for (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

If you are a beneficial Eligible Holder:

1. to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Common Share that you wish to subscribe for;
2. you may subscribe for Additional Units pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Units you wish to subscribe for, and forwarding to such Participant the Subscription Price for such Additional Units requested.

Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction.

Can I combine, exchange or divide my Rights Certificate?

Rights Certificates may be combined, divided or exchanged by delivering such Rights Certificates, accompanied by appropriate instructions or a completed Form 4 on the Rights Certificate, to the subscription office listed on the Rights Certificate under the heading "Offer of Computershare Investor Services Inc.". Rights Certificates must be surrendered for division, combination or exchange by such date as will permit new Rights Certificates to be issued and used by the holder thereof prior to the Expiry Time.

Who is eligible to receive the Rights?

No offering outside of Eligible Jurisdictions. The Rights are being offered to shareholders in each of the provinces and territories of Canada. Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of Red Eagle Mining. This Circular is not to be construed as an offering of the Rights, nor are the Units issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions.

Ineligible Holders may not acquire Rights or the Units issuable upon exercise of the Rights. We will not issue or forward Rights Certificates to Ineligible Holders. Ineligible Holders will be presumed to be resident in the place of their registered address.

Ineligible Holders will be sent the Notice, for information purposes only, together with a letter advising them that their Rights Certificates will be held by the Depositary. An Ineligible Holder, either registered or beneficial, may apply to Red Eagle Mining to claim their Rights Certificate by providing documentation confirming that the delivery of their Rights Certificate, and the exercise thereof, is lawful and in compliance with all applicable securities laws, and other laws, in the jurisdiction where the Ineligible Holder resides. If such documentation is acceptable to Red Eagle Mining, in its sole discretion, Red Eagle Mining may provide notice to the Depositary that such Ineligible Holder is an approved ineligible holder (an "**Approved Ineligible Holder**") and instruct the Depositary to deliver the Rights Certificate to the Approved Ineligible Holder. The Rights Certificate, and the securities that are issued upon the exercise thereof, may be endorsed with restrictive legends in accordance with applicable securities laws.

A holder of Rights not resident in an Eligible Jurisdiction holding on behalf of a person resident in an Eligible Jurisdiction may be able to exercise the Rights provided the holder furnishes an investor letter, satisfactory to us and the Depositary, on or before July 25, 2017 representing to us that the beneficial purchaser is resident in an Eligible Jurisdiction and satisfying us that such subscription is lawful and in compliance with all securities and other applicable laws (an "**Approved Eligible Holder**").

An Ineligible Holder that (1) (i) is a direct or indirect holder with an address of record in the United States and who is an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D promulgated under the U.S. Securities Act (each an "**Accredited Investor**"), and who provides evidence to such effect, in a form which satisfies, in the sole discretion of Red Eagle Mining, the requirements of Rule 506(c) of Regulation D, which may require the Ineligible Holder to provide to us all or any combination of: (a) an Internal Revenue Service Form that reports such Ineligible Holder's income for the most recent two years; (b) bank statements and other statements of securities holdings, certificates of deposit or tax assessments; (c) a consumer report from a United States nationwide consumer reporting agency; (d) written confirmation from a United States registered broker-dealer, an investment adviser registered with the SEC, a licensed United States attorney or an accountant as to whether such Ineligible Holder is an "accredited investor"; (e) any other information we deem necessary to confirm the Ineligible Holder's status as a U.S. Accredited Investor in order to comply with Rule 506(c) of Regulation D; or (ii) is outside the Eligible Jurisdictions and the United States; and (2) satisfies us that

such offering to and subscription by such Approved Ineligible Holder or transferee is lawful and in compliance with all applicable securities and other laws may have its Rights Certificates issued and forwarded by the Depositary upon direction from us.

No charge will be made for the sale of Rights by the Depositary except for a proportionate share of any brokerage commissions incurred by the Depositary and the costs of or incurred by the Depositary in connection with the sale of the Rights. Registered Ineligible Holders will not be entitled to instruct the Depositary in respect of the price or the time at which the Rights are to be sold. The Depositary will endeavour to effect sales of Rights on the open market and any proceeds received by the Depositary with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a pro rata basis among such registered Ineligible Holders and delivered by mailing cheques (in Canadian funds) of the Depositary therefor as soon as practicable to such registered Ineligible Holders at their addresses recorded on Red Eagle Mining's books. Amounts of less than \$10.00 will not be remitted. The Depositary will act in its capacity as agent of the registered Ineligible Holders on a best efforts basis only and we and the Depositary do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any registered Ineligible Holder. Neither we nor the Depositary will be subject to any liability for the failure to sell any Rights of registered Ineligible Holders or as a result of the sale of any Rights at a particular price or on a particular day. ***There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Depositary in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.***

Participants receiving Rights on behalf of beneficial Ineligible Holders will be instructed by CDS not to permit the exercise of such Rights unless the holder is an Approved Eligible Holder. After July 25, 2017, Participants should attempt to sell the Rights of Ineligible Holders for the accounts of such holders and should deliver any proceeds of sale to such holders.

Holders of Rights who are not resident in Canada should be aware that the acquisition and disposition of Rights or the securities described herein may have tax consequences in the jurisdiction where they reside, which are not described herein. Accordingly, such holders should consult their own tax advisors about the specific tax consequences in the jurisdiction where they reside of acquiring, holding and disposing of Rights or the securities described herein.

What is the Additional Subscription Privilege?

Registered holders of Rights

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for additional Units that have not been subscribed and paid for pursuant to the Basic Subscription Privilege (the "**Additional Units**") pursuant to the Additional Subscription Privilege.

If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Right in full by completing Form 1 on the Rights Certificate for the maximum number of Units that you may subscribe for and also complete Form 2 on the Rights Certificate, specifying the number of Additional Units desired. Send the purchase price for the Additional Units under the Additional Subscription Privilege with your Rights Certificate to the Depositary. The purchase price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc. These funds will be placed in a segregated account pending allocation of the Additional Units, with any excess funds being returned by mail without interest or deduction. Interest, if any, earned on such funds will be for our benefit.

If the aggregate number of Additional Units subscribed for by those who exercise their Additional Subscription Privilege is less than the number of available Additional Units, each such holder of rights will be allotted the number of Additional Units subscribed for under the Additional Subscription Privilege.

If the aggregate number of Additional Units subscribed for by those who exercise their Additional Subscription Privilege exceeds the number of available Additional Units, each such holder of Rights will be entitled to receive the number of Additional Units equal to the lesser of:

1. the number of Additional Units subscribed for by the holder under the Additional Subscription Privilege; and
2. the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Units available through unexercised Rights by a fraction, the numerator of which is the number of Rights previously exercised by the holder and the denominator of which is the aggregate number of Rights previously exercised by all holders of Rights who have subscribed for Additional Units under the Additional Subscription Privilege.

As soon as practicable after the Expiry Time, the Depositary will mail to each holder of Rights who completed Form 2 on the Rights Certificate, a certificate for the Additional Units which that holder has purchased and shall return to the holder any excess funds paid for the subscription of Additional Units by such holder under the Additional Subscription Privilege, without interest or deduction.

Beneficial holders of Rights

If you are a beneficial holder of Rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf.

How does a Rights holder sell or transfer Rights?

Registered holders of Rights

The Rights will trade on the TSX under the trading symbol “**R.RT**” until 12:00 p.m. (Toronto time) on August 4, 2017. If you do not wish to exercise your Rights, you may sell or transfer them directly or through your stockbroker or investment dealer at your expense, subject to any applicable resale restrictions. See “*How to exercise the Rights and are there restrictions on the resale of securities?*” You may elect to exercise only a part of your Rights and dispose of the remainder, or dispose of all your Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Depositary as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

If you wish to transfer your Rights, complete Form 3 (the “**Transfer Form**”) on the Rights Certificate, have the signature guaranteed by an “eligible institution” to the satisfaction of the Depositary and deliver the Rights Certificate to the transferee. For this purpose, eligible institution means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), or a member of the Stock Exchange Medallion Program (SEMP). Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Industry Regulatory Organization of Canada.

It is not necessary for a transferee to obtain a new Rights Certificate to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Forms 1 and 2 must correspond in every particular way with the name of the transferee shown on the Transfer Form. If the Transfer Form is properly completed, Red Eagle Mining and the Depositary will treat the transferee (or the bearer if no transferee is specified) as the absolute owner of the Rights Certificate for all purposes and will not be affected by notice to the contrary. A Rights Certificate so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the exercise, transfer or purchase of Rights through that Participant.

Upon the exercise of your Rights, when can you trade the Common Shares issuable as part of the Unit?

The Common Shares issuable as part of the Unit upon the exercise of your Rights will be listed on the TSX under the trading symbol "R" and will be available for trading following the Expiry Time.

Are there restrictions on the resale of securities?

The Rights being issued hereunder and the Units issuable upon exercise of the Rights (together with the Common Shares, Warrants and Common Shares issuable upon exercise of the Warrants underlying the Units) are being distributed by the Corporation in the Eligible Jurisdictions pursuant to exemptions from the registration and prospectus requirements under securities legislation in the Eligible Jurisdictions. Resale of these securities may be subject to restrictions pursuant to applicable securities legislation then in force.

Generally, the first trade securities issuable upon exercise of the Rights will be exempt from the prospectus requirements of Canadian securities legislation, if: (a) we are and have been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade; (b) the trade is not by a "control person"; (c) no unusual effort is made to prepare the market or to create a demand for the securities; (d) no extraordinary commission or other consideration is paid in respect of such trade; and (e) if the selling security holder is an insider or officer, the selling security holder has no reasonable grounds to believe that we are in default of securities legislation. If such conditions have not been met, then the securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances.

The foregoing is a summary only and is not intended to be exhaustive. Holders of Rights or the underlying securities should consult with their advisors concerning restrictions on resale, and should not resell their Rights or the underlying securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

The Rights and Common Shares issuable upon exercise thereof may not be offered, sold, pledged or transferred, direct/y or indirect/y, in the United States or to, or for the account or benefit of, any U.S. Person.

Will we issue fractional securities upon exercise of the Rights?

No. Where the exercise of Rights would appear to entitle a holder of Rights to receive a fractional Common Share, the holder's entitlement will be reduced to the next lowest whole number of Common Shares.

APPOINTMENT OF DEPOSITARY

Who is the Depositary?

Computershare Investor Services Inc. is the depositary for the offering. The depositary has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights.

What happens if we do not proceed with the rights offering?

If we terminate the rights offering, the Depositary will return all funds held by it to holders of Rights that have subscribed for securities under the offering.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about Red Eagle Mining that has not been generally disclosed.

RISK FACTORS

An investment in the Rights or Common Shares issuable upon exercise of the right is subject to certain risks, including those described below, as well as in our continuous disclosure documents. You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedar.com.

Dilution

If you do not exercise all of your Rights pursuant to the Basic Subscription Privilege, your current percentage ownership in Red Eagle Mining will be diluted by the issuance of Common Shares upon the exercise of Rights by other holders of Rights.

No Minimum Offering

The rights offering is not conditional upon receiving a minimum amount of proceeds. If we decide to terminate the rights offering, we will not have any obligation with respect to the Rights except to return any exercise payments, without interest.

Exercises of Rights Irrevocable

You may not revoke or change the exercise of your Rights after you send in your subscription form and payment.

Subscription Price Not Necessarily Indication of Value

You should not consider the Subscription Price to be an indication of Red Eagle Mining's value, and the Common Shares may trade at prices above or below the Subscription Price.

Responsibilities of Holders of Rights

If you fail to follow the subscription procedures and meet the subscription deadline your subscription may be rejected. None of Red Eagle Mining, the Depositary or any Participant undertakes to contact you concerning, or will attempt to correct, an incomplete or incorrect payment or subscription form. Whether a subscription properly follows subscription procedures is solely within our discretion.

Use of Proceeds

Management of Red Eagle Mining will have discretion in how it uses the net proceeds received from the offering. While Red Eagle Mining currently anticipates that it will use the net proceeds from the offering as described under "*Use of Available Funds*", management of Red Eagle Mining may re-allocate the net proceeds as it determines is necessary.

Participation Not Assured; No Interest on Subscription Funds

If Red Eagle Mining decides to terminate the offering, Red Eagle Mining will not have any obligation with respect to your Rights except to return any subscription payments, without interest.

ADDITIONAL INFORMATION

Where can you find more information about Red Eagle Mining?

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedar.com.

**OFFICES OF THE DEPOSITARY,
COMPUTERSHARE INVESTOR SERVICES INC.**

By Mail:

Computershare Investor Services Inc.
P.O. Box 7021, 31 Adelaide Street E
Toronto, Ontario M5C 3H2

Attention: Corporate Actions

By Hand, by Courier or by Registered Mail:

Computershare Investor Services Inc,
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

Attention: Corporate Actions

Telephone:
1-800-564-6253

E-Mail:
corporateactions@computershare.com

QUESTIONS MAY BE DIRECTED TO THE INFORMATION AGENT



**North American Toll Free
1-877-452-7184**

**Collect Calls Outside North America
416-304-0211**

Email: assistance@laurelhill.com