



## **RED EAGLE MINING DECLARES COMMERCIAL PRODUCTION AT THE SAN RAMON GOLD MINE AND REPORTS 2016 FINANCIAL RESULTS**

*April 10, 2017* – Red Eagle Mining Corporation (TSX: R, BVL: R, OTCQX: RDEMF) is pleased to announce financial results for the year ending December 31, 2016 and business highlights to date including:

- Declared Commercial Production at the San Ramon Gold Mine on March 31, 2017;
- Acquired the high grade California Gold Project through Red Eagle Mining’s controlled public subsidiary Red Eagle Exploration (news releases dated [February 15, 2017](#) and [March 15, 2017](#));
- Closed bought deal equity financing of common shares with the BMO Capital Markets for gross proceeds of \$17,250,000 including their entire over-allotment option (news release dated [February 21, 2017](#));
- Brian Peer was appointed General Manager of the Santa Rosa Gold Project on February 18, 2017. Mr. Peer has 31 years of mining experience including 19 years in senior management. Most recently, he was Country Manager – Mexico for Alamos Gold, responsible for the safe and efficient operations of two mines and the development of an additional two mines. Previously, Mr. Peer worked for Coeur Mining and for 10 years at Barrick Gold;
- Robert Bell retired from day to day operations and the position of Chief Operating Officer of Red Eagle Mining. However, he remains an active member of the Board of Directors and the Technical and Sustainability Committee of both Red Eagle Mining and Red Eagle Exploration;
- Completed 2016 detailed ore production stope delineation drilling at the San Ramon Gold Mine. Results from the delineation drilling exceeded expectations with many intercept grades significantly higher than the reserve grade of 5.2 g/t Au. (news release dated [January 17, 2017](#));
- First gold poured at the San Ramon Gold Mine (news release dated [November 7, 2016](#));
- Graduated to the Toronto Stock Exchange (news release dated [November 3, 2016](#)) and began trading on the Lima Stock Exchange under symbol “R” (news release dated [September 20, 2016](#));
- Completed private placements of common shares for gross proceeds of approximately \$20,000,000 (news releases dated [April 21, 2016](#) and [July 14, 2016](#)); and
- Acquired the high-grade Santa Ana historic silver mine through Red Eagle Mining’s controlled public subsidiary Red Eagle Exploration (news release dated [August 10, 2016](#)).

## *Development and Construction of the San Ramon Gold Mine and Mill*

During the fourth quarter of 2016, construction and commissioning of the Mill was completed with first gold pour in November 2016. The processing facility has reached a steady operating throughput capability and underground mining is progressing at an increasing rate with the opening up of additional ore development headings.

### *Mine Development*

Underground development continues to advance well. Since Q3 2016 when the decline moved through oxidized material, requiring additional support, into competent granodiorite, daily advance rates have substantially increased from 3 metres per day up to 27 metres per day. The main and secondary ramps have advanced 2.4 kilometres from the portal. A 57 metre vertical ventilation shaft has been completed and connected to the underground workings.

Initial poor ground conditions were encountered, particularly close to the saprolite contact and historic workings, resulting in slower mining rates and greater dilution than planned in startup. Accordingly, the mining method has been adjusted to conventional mechanized cut and fill stoping, stope lengths have been reduced to 40 metres and ground controls are improving to minimize dilution. The -100 and -125 metre levels are currently being mined with seven ore development headings.

### *Mill*

The processing facility commissioning is complete and exceeding design throughput with the capability to process up to 1,200 tonnes per day. The high voltage transmission line construction is complete and energized, connecting the project to the national electrical grid. The dry waste management facility is complete with filtered tailings being dry stacked. Gold recoveries have reached 93% and are on track to the design rate of 96%.

### *Safety*

Operations have continued to adopt best practices in safety with many awareness programs in place and monitoring occurring on a continuous basis. The results have been demonstrated in the safety statistics to date.

### *Social and Environmental*

Red Eagle Mining continues to maintain positive relationships with and be involved with the local communities. Continuous information flow has been maintained with all stakeholders regarding the advances of the operations. Red Eagle Mining is committed to maximizing local employment and is proud to have already employed 56% of its workforce from the local municipality of Santa Rosa de Osos. Red Eagle Mining continues to strictly adhere to the terms of its Environmental License and the associated Environmental Management Plan. The Environmental Agency, along with local committees, has maintained a strict monitoring program as the project has progressed with visits at least monthly. Red Eagle Mining has received positive inspection reports from all inspections.

### ***March 2017 Operating Results and Outlook***

23,666 tonnes of ore were processed during March (760 tonnes per day). Higher grade ore was blended with lower grade stockpiles to ensure operating efficiency throughout the month. 1,758 ounces of gold were produced during March.

Underground production crews continue to build on their expertise and efficiency. Production rates and grade continue to increase as the underground team adjusts to more controlled stoping methods and additional production faces open up. The blending of lower grade stockpiles will cease as production rates increase.

Red Eagle Mining declared commercial production at the end of Q1 2017 and expects to advance to positive cash flows from operations in Q2. Production guidance is 35,000 to 40,000 ounces of gold for 2017 and 60,000 to 70,000 ounces of gold for 2018.

Exploration drilling is currently underway testing the eastern extent of the San Ramon Gold Deposit and multiple targets approximately 3 kilometres to the west of the processing facility.

### ***Ore Production Stope Delineation Drilling***

In June 2016, Red Eagle Mining commenced detailed ore production stope delineation drilling at the San Ramon Gold Mine. The 10,000m programme was drilled from eight surface pads spaced over 300 metres of strike length. 107 diamond drill holes (SRD-0001 to SRD-0107) were drilled on approximately 15 metre centres from surface to a vertical depth of 160 metres from surface. The programme only in-fill drilled a portion of the reserves at the San Ramon Gold Mine which overall extend for two kilometres of strike length and to 250 metres depth. The deposit is also open both at depth and on strike to the east where exploration drilling is currently underway.

Highlights from the programme include intercepts:

- SRD-0027 - 10.73m at 8.91 g/t Au from 60.66m down hole (incl. 1.20m at 21.39 g/t Au and 1.10m at 35.37 g/t Au);
- SRD-0029 - 6.70m at 12.69 g/t Au from 69.80m down hole (incl. 1.40m at 45.06 g/t Au);
- SRD-0038 - 8.25m at 5.89 g/t Au from 37.25m down hole (incl. 0.65m at 36.17 g/t Au);
- SRD-0038 - 5.45m at 11.53 g/t Au from 54.55m down hole (incl. 0.92m at 30.81 g/t Au);
- SRD-0043 - 2.70m at 20.56 g/t Au from 81.20m down hole (incl. 0.93m at 49.26 g/t Au);
- SRD-0044 - 4.25m at 20.60 g/t Au from 89.75m down hole (incl. 0.74m at 78.35 g/t Au and 0.45m at 40.21 g/t Au);
- SRD-0046 - 12.56m at 7.66 g/t Au from 67.64m down hole (incl. 1.05m at 48.70 g/t Au);
- SRD-0046 - 9.68m at 7.89 g/t Au from 94.70m down hole (incl. 0.70m at 48.88 g/t Au);
- SRD-0046 - 2.07m at 42.62 g/t Au from 130.70m down hole;
- SRD-0047 - 5.21m at 7.47 g/t Au from 93.15m down hole (incl. 1.41m at 19.18 g/t Au);
- SRD-0049 - 7.16m at 29.03 g/t Au from 131.82m down hole (incl. 2.31m at 73.96 g/t Au);
- SRD-0054 - 3.92m at 12.83 g/t Au from 50.78m down hole (incl. 1.40m at 30.70 g/t Au);
- SRD-0068 - 2.90m at 27.35 g/t Au from 69.90m down hole;
- SRD-0083 - 4.05m at 10.45 g/t Au from 68.30m down hole;
- SRD-0091 - 2.40m at 23.34 g/t Au from 72.60m down hole;
- SRD-0093 - 12.60m at 16.47 g/t Au from 89.90m down hole (incl. 0.50m at 83.60 g/t Au);
- SRD-0101 - 5.15m at 33.39 g/t Au from 89.55m down hole (incl. 0.60m at 75.56 g/t Au); and
- SRD-0105 - 6.15m at 12.82 g/t Au from 90.15m down hole (incl. 0.95m at 41.40 g/t Au)

Results from the delineation drilling exceeded expectations with many intercept grades significantly higher than the reserve grade of 5.2 g/t Au. For complete drill results, please refer to press releases dated June 1, 2016, August 16, 2016, September 7, 2016, September 14, 2016, December 6, 2016, and [January 17, 2017](#).

### ***Selected Financial Data***

The following selected financial data is derived from the audited consolidated financial statements for the twelve months ended December 31, 2016, as prepared in accordance with International Financial Reporting Standards (all amounts in thousands of Canadian dollars, except per share amounts).

<b>For the year ended</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>
Net Loss	\$9,209	\$6,706
Comprehensive Loss	8,842	7,437
Basic and Diluted Loss per Share	0.04	0.05
Cash and cash equivalents	5,642	10,348
Total Assets	163,835	62,583
Total Liabilities	113,580	33,574
Shareholders' Equity	50,255	29,009

For the year ended December 31, 2016, Red Eagle Mining reported a net loss of \$9.2 million (2015: \$6.7 million). The net loss increased compared to the 2015 period primarily due to increased expenses associated with the ramp up of the San Ramon Gold Mine and Mill, which also resulted in the increased values of Total Assets and Shareholders' Equity. The increase in Total Liabilities primarily relates to amounts outstanding on the construction credit facility.

This press release should be read in conjunction with the consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2016. These documents can be found on [Red Eagle Mining's](http://www.redaglemining.com) website or profile at [www.sedar.com](http://www.sedar.com).

The technical information contained in this news release has been reviewed and approved by Red Eagle Mining's Vice President of Exploration, Jeff Toohey P.Eng., who is a Qualified Person as defined under NI 43-101.

### ***About Red Eagle Mining***

Red Eagle Mining is a gold producer focused on building shareholder value through discovering, developing and operating gold projects with low costs and low technical risks in Colombia, a jurisdiction with prolific historic production but until recently limited modern exploration. Red Eagle Mining owns 100% of the Santa Rosa Gold Project where the San Ramon Gold Mine has commenced commercial production. Red Eagle Mining also operates and controls Red Eagle Exploration which owns 100% of the California Gold, Vetas Gold, and Santa Ana Silver Projects and is actively consolidating additional high grade precious metal deposits in Colombia.

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*This news release includes forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although Red Eagle Mining believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements. This news release does not constitute an offer to sell or a solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*