



## **RED EAGLE MINING CONTINUES TO ADVANCE CONSTRUCTION OF THE SAN RAMON GOLD MINE**

**May 3, 2016** – Red Eagle Mining Corporation (TSX-V: RD, OTCQX: RDEMF, SSE-V: RDCL) is pleased to announce financial results for the year ending December 31, 2015 and business highlights to date, including advancements at Red Eagle Mining’s San Ramon Gold Mine in Antioquia, Colombia.

Highlights include:

- Completed approximately \$11,250,000 private placement of common shares (news release dated [April 21, 2016](#))
- Appointed Mr. Matthew Howorth, as Vice President and General Counsel (news release dated [March 1, 2016](#))
- Replaced CB Gold directors and officers with Red Eagle Mining appointees and highlighted past Vetas Gold Project high grade drill results, averaging 30 g/t Au over 1.03 meter average width. (news release dated [December 3, 2015](#))
- Fulfilled all conditions precedents to draw down the credit facility and drew US \$10,000,000 (news release dated [November 5, 2015](#));
- Acquired controlling interest in CB Gold through a share exchange takeover bid (news release dated, [October 5, 2015](#));
- Completed approximately \$19,350,000 private placement of common shares (news release dated [August 21, 2015](#));
- Awarded the mine construction and operations contract for the San Ramon Gold Mine to STRACON GyM (news release dated [July 17, 2015](#));
- Appointed Mr. Chui Wong, Chartered Accountant, as Chief Financial Officer (news release dated [May 25, 2015](#));
- Red Eagle Mining’s common shares were dual-listed on the Santiago Stock Exchange Venture, allowing improved access to Latin American capital pools, while strengthening its visibility in the region (news release dated [April 27, 2015](#));
- Completed US \$65,000,000 construction financing with Orion Mine Finance, including a secured US \$60,000,000 credit facility and a US \$5,000,000 private placement of common shares (news release dated [April 2, 2015](#));
- Awarded the engineering, procurement, and construction management contract (“EPCM”) for the San Ramon Gold Mine to Lycopodium Minerals Canada Ltd. (news release dated [March 17, 2015](#));

- Corantioquia (Department of Antioquia Environmental Agency) granted an Environmental License in full, without conditions, in Resolution 160TH-1503-11577 dated March 9, 2015. This was the final permit required for construction and mining of the San Ramon Gold Mine for the life of the mine (news release dated [March 10, 2015](#)); and
- Recognized by the TSX Venture Exchange as one of the TSX Venture 50, a ranking of the top performing companies listed on the TSXV during 2014 (news release dated [February 12, 2015](#)).

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

In March 2015, Red Eagle Mining was formally granted the environmental licence in full, which was the final permit required for the construction and mining of the San Ramon Gold Mine and Mill, located in the Department of Antioquia, Colombia.

In August 2015, the Red Eagle Mining commenced construction at its San Ramon Gold Mine and Mill. The construction of the San Ramon underground mine, processing facility and infrastructure is currently progressing on schedule, with staff, contractors and equipment on site. Production is expected to commence during the second half of 2016.

As at March 31, 2016, the project is approximately 60% complete (based on physical completion) and approximately 55% complete (based on expenditures incurred), with all engineering design completed, approximately 90% of equipment delivered to the project site, and is currently proceeding on budget and schedule.

Significant project highlights include:

#### *EPCM*

Detailed engineering, drawings, and all 3D models for all structures are complete. The quantities and scope for unit rate construction contracts have been defined and awarded. The quantities, scope and prices achieved to date are all well within budget. The EPCM contract has now shifted in focus to “CM” – construction management.

#### *Earthworks*

Bulk earthworks were largely completed by the end of 2015, allowing critical concrete foundations to be poured prior to the close of the year. All cut slopes have been hydro-seeded with natural grasses to mitigate environmental impact. As at March 31, 2016, all earthworks and grass hydro-seeding was complete, apart from the dry tailings and mine waste rock management facility; the construction of which is still proceeding.

#### *Concrete*

All critical concrete foundations were completed before the end of 2015. As at March 31, 2016, all major concrete foundations have been completed, and concrete works are approximately 90% complete.

#### *Procurement and Logistics*

By November 2015, the Red Eagle Mining had placed all process and infrastructure equipment orders necessary to complete construction of the San Ramon Gold Mine and Mill. Deliveries of equipment commenced in January 2016 and as at March 31, 2016, deliveries for the majority of all major equipment to site are complete.

#### *Structural Steel and Field Erected Tanks*

Structural steel fabrication is well advanced and field erected tanks are fabricated and delivered to site and erection is in progress. As at March 31, 2016, welding and erection of major tanks is approximately 95% complete.

#### *Mechanical Piping, Platework, and Electrical Instrumentation*

Mechanical platework fabrication is in progress. Major bins and chutes have been delivered to site. Mechanical installation is in progress with the main focus on the SAG mill and Filter presses installation. Electrical bulk procurement is progressing well. The vast majority of all instruments have been fabricated and are being shipped to site. As at March 31, 2016, the SAG mill is approximately 85% complete, and the filter presses are approximately 60% complete, with all components on site.

#### *Underground Mine Development*

The underground decline has been collared and tunneling activities are ongoing. Initial ground conditions are as predicted – weak weathered granodiorite (sapolite), requiring conventional steel support and shotcrete. As at March 31, 2016, the decline development was in line with preparation of the processing facility and infrastructure schedules to achieve production during the second half of 2016. Additionally, detailed ore production stope delineation drilling had commenced, in preparation for this schedule.

#### *Community Relations and Corporate Social Responsibility (“CSR”)*

Red Eagle Mining continues to maintain positive relationships with and be involved with the local communities, keeping them informed of the advances during the construction of the mine, as well as its environmental and CSR related activities. To date, Red Eagle Mining has consistently received positive reception and support from local communities and stakeholders on the project.

#### *Environmental Progress*

Red Eagle Mining has strictly adhered to the terms of its Environmental License, and the associated Environmental Management Plan has been followed diligently – inspections and reports are all in good order.

*Red Eagle Mining expects to achieve the upcoming major development and construction milestones:*

- SAG mill and filter presses installation completed in Q2 2016;
- All mechanical platework installation completed in Q2 2016;
- Pre-commissioning to commence in Q3 2016;
- Expected mine and mill construction completion in Q3 2016;
- First gold pour to occur in the second half of 2016; and
- Commercial production by the end of 2016

#### **Project Financing**

Based upon Red Eagle Mining’s projections and estimated construction progress made as at March 31, 2016, the construction of the 100% owned San Ramon Gold Mine and Mill is forecast to be funded through to full production. As at March 31, 2016, Red Eagle Mining had approximately US \$22 million in cash, and US \$15 million available under the credit facility with approximately US \$33 million of project cost left to incur. In addition, an \$11 million private placement was closed on April 21, 2016.

### **Selected financial data**

The following selected financial data is derived from our audited consolidated financial statements for the twelve months ended December 31, 2015, as prepared in accordance with International Financial Reporting Standards (all amounts in CA\$).

<b>For the year ended</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Net Loss	\$ 6,706,606	\$ 8,943,130
Comprehensive Loss	7,437,067	9,176,726
Basic and Diluted Loss per Share	0.05	0.13
Cash and cash equivalents	10,347,916	427,290
Total Assets	62,582,686	1,484,794
Total Liabilities	33,573,430	2,253,096
Shareholders' equity	29,009,256	(768,302)

For the year ended December 31, 2015, Red Eagle Mining reported a net loss of \$6.7 million (2014: \$8.9 million). The net loss was reduced compared to the 2014 period as Red Eagle Mining commenced capitalization of direct costs associated with the development of the San Ramon Gold Mine, which also results in the increased values of Total Assets and Shareholders' Equity. The latter two were also augmented by Red Eagle Mining's acquisition of a controlling interest in CB Gold. The decrease in loss per share in 2015 is primarily due to a lower net loss and the weighted average outstanding shares in 2015 being significantly greater than in 2014. The increase in Total Liabilities primarily relates to amounts outstanding on the construction credit facility and the recognition of a reclamation provision for the San Ramon Gold Mine and Vetas Gold Project.

This press release should be read in conjunction with the condensed consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2015. These documents can be found on [Red Eagle Mining's](http://www.red-eagle-mining.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 well-financed gold exploration and development corporation with an experienced mine development team. Management is focused on building shareholder value through discovering and developing 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 71% of the Vetas Gold Project and 100% of the Santa Rosa Gold Project, where construction is underway at the fully permitted and fully financed San Ramon Gold Mine with production expected to commence in the second half of 2016.

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