



## **RED EAGLE MINING CONTINUES TO ADVANCE CONSTRUCTION OF THE SAN RAMON GOLD MINE DURING Q2 2016**

**August 30, 2016** – Red Eagle Mining Corporation (TSX-V: RD, OTCQX: RDEMF, SSE-V: RDCL) is pleased to announce financial results for the three and six months ended June 30, 2016 and business highlights to date, including advancements at Red Eagle Mining’s San Ramon Gold Mine in Antioquia, Colombia. Highlights include:

- Completed private placements of common shares for approximately \$20,000,000 (news releases dated [April 21, 2016](#) and [July 14, 2016](#));
- Commenced detailed ore production stope delineation drilling at the San Ramon Gold Mine (news releases dated [June 1, 2016](#) and [August 16, 2016](#)); and
- Acquired the high grade Santa Ana historic silver mine through Red Eagle Mining’s controlled public subsidiary CB Gold Inc. (news release dated [August 10, 2016](#)).

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

The overall construction of the mill is approximately 90% complete, and remains within budget and on schedule. Initial gold production is currently scheduled for October, ramping up to commercial production by the end of 2016.

#### ***Mine Highlights:***

- The main access and production decline has progressed to 370m in length and the first ore production level has been established approximately 300m from the decline surface collar;
- The initial production level is under development to mine ore ahead of mill commissioning. High grade ore is being stockpiled from this development, along with lower grade ore for the commencement of commissioning;
- The decline encountered difficult ground conditions through the saprolite and transitional ground for longer than anticipated, but development is now in competent granodiorite and progressing well;

#### ***Mill Highlights:***

- All steelwork and platework construction is complete. All equipment has been delivered and installed. Remaining work now comprises completion of piping and electrical works;
- All HV equipment and electrical sub-stations have been inspected and approved by the Colombian electrical inspectorate. The 44KV overhead powerline and supply substation (which is located approximately 12km from site), are functional and approved. Full “live” HV connection is scheduled for September 2016. Cold commissioning of sectors of the mill are being undertaken using the two 750 KVA standby generators; and
- Water supply is established, and wet commissioning of all tankage is underway.

### ***Project Financing***

Construction of the 100% owned San Ramon Gold Mine and Mill is forecast to be fully funded through to full production. As at July 31, 2016, Red Eagle Mining has approximately US \$29 million in cash with approximately US \$14 million of project costs left to incur.

### ***Equity Financing***

In April 2016, a private placement for gross proceeds of \$11,281,476, consisting of 29,688,095 common shares at a price of \$0.38 per share, was completed. In July 2016, a second private placement for gross proceeds of \$9,223,638, consisting of 13,176,626 common shares at a price of \$0.70 per share, was completed. No warrants were issued in either private placement.

### ***Delineation drilling at San Ramon***

In June 2016, detailed ore production stope delineation drilling commenced at the San Ramon Gold Mine and will continue for the life of the mine. The initial results from the in-fill drill programme have exceeded expectations with intercepts significantly longer than the planned average mining width of 3m and grades significantly higher than the reserve grade of 5.2 g/t Au. Highlights from the first 23 holes (SRD-0001 to SRD-0023) include intercepts:

- SRD-0003 – 4.00m at 10.68 g/t Au from 60.70m down hole (incl. 1.10m at 27.38 g/t Au)
- SRD-0004 – 7.80m at 12.79 g/t Au from 71.40m down hole (incl. 2.80m at 30.44 g/t Au)
- SRD-0005 – 8.15m at 5.71 g/t Au from 96.20m down hole (incl. 1.60m at 15.65 g/t Au)
- SRD-0010 – 11.48m at 7.25 g/t Au from 100.50m down hole (incl. 1.89m at 19.05 g/t Au)
- SRD-0017 – 5.10m at 12.27 g/t Au from 93.90m down hole (incl. 1.46m at 29.94 g/t Au)
- SRD-0018 – 1.35m at 50.11 g/t Au from 71.85m down hole
- SRD-0020 – 10.60m at 4.22 g/t Au from 36.70m down hole (incl. 3.40m at 6.36 g/t Au)
- SRD-0021 – 0.80m at 168.91 g/t Au from 92.60m down hole

### ***Acquisition of Santa Ana***

In August 2016, Red Eagle Mining's controlled public subsidiary, CB Gold Inc., acquired 100% of the Santa Ana Silver Project which covers the core of the historic Mariquita Silver District, one of Colombia's most prolific colonial silver mining camps with production dating back to the sixteenth century. The property is located approximately 190 kilometres ENE of Bogota in Tolima, Colombia. The polymetallic silver-gold veins are characteristic of an intrusion related silver rich system later overprinted by a low sulphidation epithermal system in a thrust and fold setting. They are comprised of variable amounts of pyrite, sphalerite, galena, silver sulphosalts, native silver and gold in a gangue of quartz and adularia.

A 2012 drill programme tested the down-dip extension of vein mineralization below the historic Santa Ana mine tunnels. The results highlighted the potential for bonanza-type silver-gold veins, with drill intercepts including:

- CP-1203 – 3.04m at 1,751 g/t (51 oz/t) AgEq from 83.82m down hole
- CP-1203 – 1.82m at 1,465 g/t (43 oz/t) AgEq from 100.58m down hole
- CP-1208 – 1.34m at 2,545 g/t (75 oz/t) AgEq from 164.00m down hole

***Selected financial data***

The following selected financial data is derived from the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2016, as prepared in accordance with International Financial Reporting Standards (all amounts in CA \$).

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Net loss	\$ 632,618	\$ 580,654	\$ 831,440	\$ 3,386,408
Comprehensive loss	790,223	691,020	1,102,506	3,486,095
Basic & diluted loss per share	0.00	0.01	0.00	0.04
<b>As at</b>			<b>June 30, 2016</b>	<b>December 31, 2015</b>
Cash and cash equivalents			\$ 18,963,164	\$ 10,347,916
Total assets			121,085,132	62,582,686
Total liabilities			79,675,283	33,573,430
Shareholders' equity			41,409,849	29,009,256

For the three and six months ended June 30, 2016, Red Eagle Mining reported a net loss of \$0.7 million (2015: \$0.6 million) and \$0.9 million (2015: \$3.4 million) respectively. The net loss for the six months ended June 30, 2016 was reduced compared to the six months ended June 30, 2015 as Red Eagle Mining commenced capitalization of direct costs associated with the development of the San Ramon Gold Mine. Total assets and shareholders' equity increased in value as a result of the capitalization and the acquisition of a controlling interest in CB Gold. 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 unaudited interim condensed consolidated financial statements and Management's Discussion and Analysis for the three and six months ended June 30, 2016. These documents can be found on [Red Eagle Mining](http://www.red-eagle-mining.com)'s 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 and silver exploration and development corporation with an experienced mine development team. Management is focused on building shareholder value through discovering and developing 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 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. Red Eagle Mining also controls CB Gold which owns 100% of the Vetas Gold and Santa Ana Silver Projects and is actively consolidating additional high grade precious metal deposits in Colombia.

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