



**RED EAGLE MINING CONTINUES TO ADVANCE THE SAN RAMON GOLD DEPOSIT DURING Q3 2014**

*Vancouver, BC, December 2, 2014* – Red Eagle Mining Corporation (TSX-V: RD, OTCQX: RDEMF) is pleased to announce financial results for the nine months ended September 30, 2014 and business highlights to date, including advancements at Red Eagle Mining’s San Ramon Gold Deposit in Antioquia, Colombia. 2014 highlights include:

- Commencement of detailed engineering and construction-level design work for the proposed processing facility and related infrastructure. The detailed engineering is being led by Lycopodium, the leading international project management and engineering firm which also prepared the Feasibility Study. This work includes mechanical specifications and tender documentation for the key long lead items (SAG mill, tower mill and filter press) and design and tender documentation for the bulk earthworks and civils design;
- Completion of a Feasibility Study for the San Ramon Gold Deposit. The Feasibility Study is based on San Ramon being a 1,000 tonnes per day underground mining operation using conventional shrinkage stoping mining methods with delayed backfill. The ore will be processed incorporating single-stage crushing, SAG milling and flotation with concentrate re-grinding followed by conventional carbon-in-leach processing of the combined flotation tails and reground concentrate to produce gold doré. Expected metallurgical recovery is 96%.

Initial capital costs are \$74 million (all amounts in US\$). Cash costs average \$596/ounce while all-in sustaining costs average \$763/ounce. Production in the first two years will average 71,000 ounces of gold per year at an average grade of 6.48 grams gold per tonne.

Table 1 – Summary of San Ramon Post-Tax Economic Results by Gold Price

Post-Tax	Alternative Case	Base Case	Alternative Case
Gold Price (ounce)	\$1,100	\$1,300	\$1,500
Net Cash Flow	\$70 million	\$132 million	\$205 million
Net Present Value (5%)	\$52 million	\$104 million	\$165 million
Internal Rate of Return	32%	53%	74%
Payback	1.7 years	1.3 years	1.1 years

The Feasibility Study was prepared by Lycopodium with the participation of Mine Development Associates (resource and reserve estimation and mine design) and Golder Associates (tailings management and geotechnical) (news release dated [October 6, 2014](#));

- The Secretary of Mines of Antioquia formally approved the Mining Technical Work Plan (Programa de Trabajo y Obras or “PTO”), which was submitted in November 2013, in Resolution 121146, dated August 12, 2014. This is the final approval required subject to receiving the Environmental License (news release dated [September 3, 2014](#));

- Acquisition of contiguous Mineral Concessions totaling 1,673 hectares within the Santa Rosa Gold Project from AngloGold Ashanti. The acquisition includes a one kilometre extension directly on strike to the east of the two kilometre long San Ramon Gold Deposit (news release dated [June 3, 2014](#));
- Completed CDN\$5,000,000 equity financing including a CDN\$4,000,000 bought deal financing underwritten by a syndicate of underwriters led by Haywood Securities Inc. and a CDN\$1,000,000 private placement with Liberty Metals & Mining Holdings LLC who exercised their participation rights to maintain a pro rata 19.9% interest in Red Eagle Mining (news release dated [April 9, 2014](#));
- Completion and filing of a comprehensive Environmental Impact Assessment (“EIA”) including an Environmental Management Plan (“EMP”) on February 20, 2014 with Corantioquia (Department of Antioquia Environmental Agency). The EIA was prepared by Tetra Tech, a leading international engineering firm. Approval of the EIA and EMP by Corantioquia, which grants the Environmental License, is the final permit required for construction and mining of the San Ramon Gold Deposit (news release dated [February 24, 2014](#)).

### Selected financial data:

The following selected financial data is derived from Red Eagle Mining’s unaudited interim condensed consolidated financial statements for the nine month period ended September 30, 2014, as prepared in accordance with International Financial Reporting Standards (all amounts in CDN\$).

	For the three months ended		For the nine months ended	
	Sept 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013
Net loss	\$ 2,135,629	\$ 2,042,632	\$ 6,376,591	\$ 8,954,355
Comprehensive loss	2,172,457	2,075,283	6,407,343	9,010,118
Basic and diluted loss per share	0.03	0.03	0.09	0.15

As at	September 30, 2014	December 31, 2013
Cash and cash equivalents	\$ 2,502,694	\$ 4,118,484
Total assets	4,481,955	5,578,368
Total liabilities	2,626,647	2,137,930
Shareholders' equity	1,855,308	3,440,438
Cumulative exploration expense	31,331,733	26,771,965

For the three and nine month period ended September 30, 2014 Red Eagle Mining reported a net loss of \$2.1 million and \$6.4 million respectively, compared to net losses of \$2.1 million and \$9.0 million for the three and nine months ended September 30, 2013. The most significant contributions to the loss for the three and nine months ended September 30, 2014 was the cost of ongoing exploration and studies of \$1.7 million and \$4.6 million respectively (2013: \$1.8 million and \$7.6 million).

This press release should be read in conjunction with the condensed consolidated Financial Statements and Management’s Discussion and Analysis for the nine months ended September 30, 2014. These documents can be found on [Red Eagle Mining](#)’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 exploration and development company 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 is developing the 330 km<sup>2</sup> historic Santa Rosa Gold Project located in the Antioquia Batholith. Development will initially commence with the San Ramon Gold Deposit where a positive Feasibility Study supports project development. Detailed engineering, project financing and permitting are currently underway.

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