



## **RED EAGLE MINING CONTINUES TO ADVANCE CONSTRUCTION OF THE SAN RAMON GOLD MINE DURING Q1 2016**

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

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

The overall project is approximately 70% complete (based on physical completion), with earthworks, concrete, platework, steelwork and mechanical equipment installation on schedule for 100% practical completion in July 2016. Piping, electrical and instrumentation installation would continue to completion during Q3 2016.

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 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. 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. All major concrete foundations have been completed, and concrete works are approximately 90% complete.

#### *Procurement and Logistics*

By November 2015, 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 by March 31, 2016, deliveries for the majority of all major equipment to site were 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. Welding and erection of major tanks are 100% complete, short of paintwork.

### *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. The SAG mill is approximately 90% complete, and the filter presses are approximately 75% 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 (saprolite), requiring conventional steel support and shotcrete. The decline development is in line with the processing facility and infrastructure schedules to achieve production during the second half of 2016. Additionally, detailed ore production stope delineation drilling has 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 to date have all been positive and in good order.

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

- SAG mill and filter presses installation completed in June 2016;
- All mechanical platework installation completed in June 2016;
- Pre-commissioning to commence in Q3 2016;
- 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 April 30, 2016, the construction of Red Eagle Mining’s 100% owned San Ramon Gold Mine and Mill is forecast to be funded through to full production. As at April 30, 2016, Red Eagle Mining had approximately US \$25 million in cash, and has up to US \$15 million available under the credit facility with approximately US \$29 million of project costs left to incur.

## **Selected financial data**

The following selected financial data is derived from our unaudited interim condensed consolidated financial statements for the three months ended March 31, 2016, as prepared in accordance with International Financial Reporting Standards (all amounts in CAS).

<b>For the three months ended</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Net Loss	\$ 198,822	\$ 2,805,754
Comprehensive Loss	312,283	2,795,075
Basic and Diluted Loss per Share	0.00	0.04

<b>As at</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Cash and cash equivalents	\$ 28,617,808	\$ 10,347,916
Total Assets	101,438,067	62,582,686
Total Liabilities	71,048,959	33,573,430
Shareholders' equity	30,389,108	29,009,256

For the three months ended March 31, 2016, Red Eagle Mining reported a net loss of \$0.2 million (2015: \$2.8 million). The net loss was reduced compared to the 2015 period as Red Eagle Mining commenced capitalization of direct costs associated with the development of the San Ramon Gold Mine and also from a higher foreign exchange gain. 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 unaudited interim condensed consolidated financial statements and Management's Discussion and Analysis for the three months ended March 31, 2016. These documents can be found on [Red Eagle Mining's](http://www.sedar.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.

### **General Counsel Appointment**

Effective June 6, 2016, Mischa Zajtmann will be appointed as Vice President & General Counsel of Red Eagle Mining. He began his career as an associate in the securities and business law group of Blake, Cassels & Graydon LLP where he gained significant experience with respect to public companies, capital markets, securities laws and the natural resources sector. In 2013, Mr. Zajtmann joined Oxygen Capital, as General Counsel and was responsible for all legal matters affecting Oxygen and its portfolio entities, which include True Gold, Pilot Gold, and Pure Gold. Mr. Zajtmann obtained his LLB from the University of Saskatchewan in 2008 and is called to the bar in both B.C. and Alberta.

Mr. Zajtmann replaces Matthew Howorth whom the Board of Directors wishes well in his future endeavours.

### ***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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