



## **RED EAGLE MINING REPORTS Q2 2018 FINANCIAL RESULTS**

**August 17, 2018** – Red Eagle Mining Corporation (TSX: R, BVL: R, OTCQX: RDEMF) announces financial results for the three months ended June 30, 2018 and an update on operations at the Santa Rosa Gold Project, Antioquia, Colombia.

### Key Production Metrics

<b>Total</b>		<b>Q1 2018</b>	<b>Q2 2018</b>
Ore Mined	(tonnes)	48,616	63,224
Ore Processed	(tonnes)	60,695	62,893
Processed Gold Grade	(g/t Au)	3.2	3.0
Gold Produced	(ounces)	5,727	5,579
Recovery	(%)	93%	92%
<b><u>Average Per Day</u></b>			
Ore Mined	(tonnes)	540	694
Ore Processed	(tonnes)	682	691

During Q2 2018, underground development at the mine continued to advance according to plan with 947 meters completed. Development during Q2 2018 was primarily focused on secondary access ramps and advancing attack ramps on levels -125, -150 and -175 metres, measured from surface. The mine currently has 28 active attack ramps with 21 in production and the remaining attack ramps in breasting and backfill.

Stope mining operations continued to ramp up with an average of 778 tonnes per day mined in May and the mine reached approximately 900 tonnes per day in June before the mine contractor scaled back operations due to financial constraints. Prior to the mine contractor scaling back, operations were continuing to improve with June production grading 3.6 g/t Au with recoveries of 95%.

The mine contractor has recently temporarily suspended operations awaiting an expected comprehensive restructuring to improve Red Eagle Mining's financial position and allow production to resume in the near term. Red Eagle Mining is planning on announcing the restructuring as soon as possible.

The increased number of attack ramps will allow mining rates to continue to increase to 1,000 tonnes per day once production resumes. Red Eagle Mining expects to be in steady state production by the fourth quarter and forecasts production of 3,500 to 4,000 ounces of gold per month at an average grade of approximately 4 g/t Au.

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

The following selected financial data is derived from Red Eagle Mining's unaudited interim condensed consolidated financial statements for the three months ended June 30, 2018, as prepared in accordance with International Financial Reporting Standards (all amounts in thousands of US dollars, except per share amounts).

<b>For the three months ended</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>
Net Loss	\$ 72,915	\$ 4,339
Comprehensive Loss	72,714	3,307
Basic & Diluted Loss per Share	0.17	0.02

<b>As at</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
Cash & Cash Equivalents	\$ 239	\$ 1,776
Total Assets	115,215	165,321
Total Liabilities	114,219	89,595
Shareholders' Equity	996	75,726

For the three months ended June 30, 2018, Red Eagle Mining reported a net loss of \$72.9 million (2017: \$4.3 million). The net loss increased compared to the 2017 period primarily due to recording a non-cash impairment charge of \$69.2 million to recognize property, plant and equipment of the San Ramon Gold Mine and mill at their estimated recoverable amount. Total Assets decreased due to the non-cash impairment charge. The increase in Total Liabilities relates to the ramp up of the San Ramon Gold Mine.

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 June 30, 2018. 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 Gary Hannan C. Eng., General Manager of Red Eagle Mining's Santa Rosa Gold Project, 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 acquiring, developing and operating gold and silver projects in Colombia, a jurisdiction with prolific historic production but until recently limited modern exploration. Red Eagle Mining owns 100% of the Santa Rosa Gold, Vetas Gold, California Gold and Santa Ana Silver Projects. The Santa Rosa Gold Project commenced production in January 2018.

### ***Additional Information***

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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.*