

VANCOUVER, July 17, 2015 /CNW/ - [Red Eagle Mining Corp.](#) (TSX-V: RD, OTCQX: RDEMF, SSE-V: RDCL) is pleased to announce the completion of a private placement for gross proceeds of approximately \$19,350,000, consisting of 71,677,550 common shares (the "Shares") at a price of \$0.27 per Share (the "Financing"). Liberty Metals & Mining Holdings, LLC ("LMM"), a subsidiary of Boston based Liberty Mutual Insurance elected to exercise its participation right and will purchase 18,930,000 shares resulting in a 19.99% ownership interest in Red Eagle Mining.

STRACON GyM ("SGyM"), part of the Graña y Montero Group, has agreed to purchase 33,539,360 Shares for US \$7,000,000 in two tranches, as described below, representing 19.94% of the outstanding shares of Red Eagle Mining upon completion of the Offering. Under the terms of the subscription agreement, so long as SGyM owns at least 15% of the issued and outstanding shares of Red Eagle Mining, SGyM shall have the right to appoint a director to the board of Red Eagle Mining and have the right to participate in any future equity financings in order to maintain SGyM's then current equity ownership in Red Eagle Mining.

The Financing will be completed in two tranches with approximately \$13,700,000 having been completed and the remaining approximately \$5,650,000 to be completed by August 21, 2015.

The condition precedent of completing an additional equity financing of at least US \$15,000,000 in order to draw down the previously announced US \$60,000,000 credit facility (news release dated March 25, 2015) will be met upon the completion of the second tranche of the Financing. Proceeds will be used for the construction of the San Ramon Gold Mine and general working capital purposes. In addition, Red Eagle Mining issued Orion Mine Finance ("Orion"): (a) 4,104,806 common shares pursuant to an adjustment provision in the subscription agreement previously entered into with Orion and (b) 5,000,000 non-transferable bonus warrants (the "Warrants") pursuant to the terms of the credit facility. Each Warrant is exercisable for one common share, at a price of \$0.275 per share, for a period of five years. The Warrants will not be exercisable if such exercise would result in Orion owning more than 19.9% of the outstanding common shares of Red Eagle Mining at that time. All of the Shares issued pursuant to the Financing, all the common shares issuable to Orion as disclosed in this news release, the Warrants and any common shares issuable on the exercise of the Warrants are subject to a four month hold period from the date hereof.

Credit Facility Syndication

Orion has also completed the syndication of the previously announced US \$60,000,000 credit facility with LMM. Orion has retained 51% (US \$30,600,000) with LMM assuming the remaining 49% (US \$29,400,000). Orion and LMM are severally liable for their respective commitments under the credit facility. Orion will remain the Administrative Agent.

Mining Services Alliance with STRACON GyM

Red Eagle Mining is pleased to announce that SGyM has been awarded the mine construction and operations contract for Red Eagle Mining's 100% owned San Ramon Gold Mine, located in Antioquia, Colombia.

"We are pleased to have engaged SGyM as mining contractor for the San Ramon Mine. SGyM is very familiar with the region through their similar joint venture style alliance with Rio Alto Mining and specifically their underground works with Buenaventura," comments Bob Bell, Chief Operating Officer, Red Eagle Mining. "We have engaged the best possible partners with SGyM for the construction and operation of the mine and Lycopodium for the construction of the process plant."

"We're very much looking forward to working closely with Red Eagle Mining and other project stakeholders, to successfully construct, develop and commission the San Ramon Gold Mine, providing benefits throughout Antioquia," comments Steve Dixon, Chief Executive Officer, SGyM.

About STRACON GyM

SGyM, part of the Graña y Montero Group, is an experienced regional provider of contract mining and earthworks services, currently operating in Peru and Panama. Significant greenfield projects undertaken by SGyM include Rio Alto Mining's La Arena and Shahuindo mines and Hudbay Minerals' recently constructed Constancia mine, where the company participated in initial construction and continues to provide contract mining and ongoing construction services. SGyM is also operating at First Quantum's Panama Copper Project and at several Buenaventura operations, for whom SGyM provided underground mining services at Orcopampa and Poracota, two Peruvian gold mines.

Graña y Montero Group (NYSE:GRAM) is a leading provider of diversified services across the engineering and construction, infrastructure, real estate and technical service sectors, with companies operating throughout Latin America, including Peru, Chile and Colombia. The Group has 82 years' experience and annual sales of US \$2.3 billion (2014).

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 100 km² historic Santa Rosa Gold Project located in the Antioquia Batholith. Construction is underway at the fully permitted and fully financed San Ramon Gold Mine with production to commence during 2016.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. 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 the Company 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.

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