

CB Gold Inc. Responds to Announcement by Red Eagle

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CB Gold Board Reaffirms Recommendation That Shareholders Vote for Previously Announced Sale Transaction

VANCOUVER, BC -- (Marketwired - June 17, 2015) - [CB Gold Inc.](#) (TSX VENTURE: CBJ) ("CB Gold" or the "Company") has been informed that [Red Eagle Mining Corp.](#) ("Red Eagle") intends to make an unsolicited offer to purchase all of the issued and outstanding shares of CB Gold at some point in time (the "Potential Proposal"). Red Eagle has not made any such unsolicited offer.

CB Gold's board of directors will be meeting to consider the Potential Proposal if it is received from Red Eagle, and will make a statement in due course. Until the Company receives the Potential Proposal and completes its review, the Company's board of directors reaffirms its unanimous recommendation that all shareholders vote FOR the previously announced Sale Transaction with OM.L Trading Inc. (see press release dated May 19, 2015) at the shareholders meeting scheduled for 10:00 a.m. on June 23, 2015 (the "Meeting").

Hernan Martinez, CB Gold's Chairman states, "Red Eagle's actions are an attempt to distract our shareholders from the Meeting set for June 23rd to consider the Sale Transaction with OM.L Trading Inc. If Red Eagle had any intention to negotiate in good faith, they would have announced this Potential Proposal more than 3 days prior to the proxy cut-off date for our Meeting. With no cash on the table and no obligation to present a viable alternative, Red Eagle's announcement is an opportunistic jab to disrupt our vastly superior and legally binding agreement with OM.L Trading Inc.."

Fabio Capponi, CB Gold's CEO states, "As a significant CB Gold shareholder myself, I am concerned about time and value. It is my duty to inform shareholders about the consequences that pursuing a theoretical Red Eagle offer could have on the Company. I would like to stress once again that Red Eagle's theoretical proposal is dramatically inferior to the Company's previously announced Sale Transaction with OM.L Trading Inc., has significant completion risk, provides no cash to CB Gold shareholders, and puts the CB Gold on the verge of bankruptcy."

By comparison, on completion of the Sale Transaction with OM.L Trading, Inc., CB Gold will continue as a fully funded royalty company with no material liabilities and minimal G&A expenses. This will position the Company with a strong balance sheet and the ability to create value for its shareholders through new opportunities, including project or royalty acquisitions and corporate transactions.

YOUR VOTE IS IMPORTANT and the Company's board of directors reaffirms its unanimous recommendation that all shareholders exercise their right to vote and vote FOR the Sale Transaction at the Meeting.

The CB Gold board notes the following factors regarding the Potential Proposal:

- a) It is theoretical. It is not an offer. There is no obligation for Red Eagle to make an offer.
- b) Highly Dilutive; Destruction of Value. If received and accepted, CB Gold shareholders would be diluted down to approximately 6.5% of Red Eagle at their proposed minimum tender condition. As a result, any share transaction with Red Eagle would ultimately result in the destruction of value to CB Gold shareholders.
- c) Dramatically Inferior Value. The estimated value of the Sale Transaction is in excess of C\$20,000,000, including US\$2,000,000 in cash paid at closing plus the assumption of more than C\$3,000,000 of existing liabilities. By comparison, the Potential Proposal, if received, would have a market value of C\$8.4 million.
- d) No Cash. If received, the Potential Proposal would be an all-share transaction with no cash component.
- e) Not a Permitted Bid. If received, the Potential Proposal would not be a permitted bid under the Company's shareholder-approved shareholder rights plan.
- f) No Upside from Vetas. If received and accepted, the Potential Proposal deprives CB Gold shareholders

from cash flow participation from the future development of the Vetas Gold Project via the 3% net smelter return participation (uncapped), which includes both advance royalty payment provisions (capped at US\$15 million) and a buy-back option (also capped at US\$15 million).

g) Significant completion risk. There is no obligation on Red Eagle to make the Potential Proposal on the terms described, or at all.

h) Risk of Putting the Company into Bankruptcy. Red Eagle continues to look to disrupt or delay the Sale Transaction. Such a disruption or delay is expected to lead to the Company's bankruptcy and the return of its assets to the Colombian Government.

i) Due Diligence Questions. Any share transaction with Red Eagle would require extensive legal, governance, technical and financial due diligence. To ensure protection of the Company's shareholders, due diligence would be expected to include an independent third-party review with respect to Red Eagle's in-country practices that are governed by the principles set out in the:

1. Corruption of Foreign Public Officials Act (Canada);
2. Foreign Corrupt Practices Act (USA); and
3. 2010 Bribery Act (UK).

j) Disregard for Corporate Governance. The Company has concerns with respect to Red Eagle's corporate governance. At the Red Eagle annual meeting set for June 25, 2015, the Red Eagle shareholders are being asked to pass a resolution: "to ratify, confirm and approve all acts, deeds and things done by and the proceedings of the directors and officers of the Company on behalf of the Company during the preceding year." This kind of resolution may illustrate a lack of understanding of the differences between board and shareholder responsibilities, or it may illustrate a recognition of difficulties that may arise from Due Diligence Questions without a white-wash from their own shareholders.

k) Market Repudiation. Following Red Eagle announcement and at today market closing, CB Gold share's price fell 25% clearly demonstrating market repudiation of the Red Eagle Potential Proposal.

The Sale Transaction

As announced on May 19, 2015 and pursuant to the Sale Transaction, the Company has signed a legally binding definitive share purchase agreement with OM.L Trading Inc. (the "Buyer"), a company controlled by Michelle Navarro Grau, whereby the Buyer will acquire 100% of the shares in Leyhat Corporation, the Company's wholly-owned subsidiary which holds the Company's interests in its Colombian properties through its Colombian branch, Leyhat Colombia Sucursal (the "Colombian Branch").

Under the Sale Transaction, the Buyer will pay CB Gold US\$2,000,000 in cash at closing, assume more than C\$3,000,000 of existing obligations as well as ongoing liabilities of Leyhat Corporation and its Colombian Branch, and provide a 3% NSR participation (uncapped), which has both advance royalty payment provisions (capped at US\$15 million) and a buy-back option (also capped at US\$15 million). The combined value of the cash payment, the assumption of liabilities, and the advance royalty / buy-back value of the NSR participation to CB Gold shareholders is in excess of C\$20 million.

Voting Instructions

The Company's shareholder meeting to consider the Sale Transaction and other matters is scheduled for 10:00 a.m. on June 23, 2015. **YOUR VOTE IS IMPORTANT.**

The proxy cutoff time is 10:00 a.m. (Vancouver time) on Friday, June 19, 2015. If you have not received your proxy materials or would like additional copies of the proxy materials and were a shareholder on April 23, 2015, please contact your broker or the Company to receive a copy of the proxy materials.

If you have any questions regarding voting or need assistance completing the proxy materials, please contact your broker or the Company.

About CB Gold Inc.:

CB Gold is a mineral exploration company headquartered in Vancouver, British Columbia. CB Gold, through

its wholly-owned subsidiary, Leyhat Colombia Sucursal, is actively pursuing the exploration and development of mineral properties in the Republic of Colombia. The Vetas Gold Project consists of a number of existing mines and exploration concessions.

For more information on CB Gold please visit our web site at www.cbgoldinc.com or contact the Company at +1 (604) 630-5870, or info@cbgoldinc.com

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