

Red Eagle Mining Commences Offer to Acquire CB Gold

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VANCOUVER, June 30, 2015 /CNW/ - [Red Eagle Mining Corp.](#) (TSX-V: RD, OTCQX: RDEMF, SSE-V: RDCL) today announced that it has formally commenced its share exchange takeover bid (the "Offer") to acquire all of the issued and outstanding shares of [CB Gold Inc.](#) ("CB Gold") in exchange for shares of Red Eagle Mining. Under the terms of the Offer, each CB Gold common share ("Share") will be exchanged for 0.162 of a Red Eagle Mining common share with an implied value of \$0.05 per CB Gold Share and an implied total offer value for all outstanding CB Gold Shares of approximately \$8,400,000 based on Red Eagle Mining's 20-day volume weighted average share price ("VWAP") of \$0.31. The Offer will remain open until 4:00PM (Toronto time) on August 5, 2015 ("Expiry Time"), unless withdrawn or extended.

The Offer represents a premium of 46% to CB Gold's 20-day VWAP of \$0.035 and to CB Gold's closing Share price of \$0.035 on June 12, 2015, the last trading day prior to CB Gold's announcement of Red Eagle Mining's proposal.

"Following the announcement by CB Gold of the OM.L Transaction, Red Eagle Mining was contacted by several of CB Gold's largest shareholders. They were unhappy with the proposed sale of CB Gold's principal asset and this transaction was subsequently rejected by CB Gold's shareholders. All of Red Eagle Mining's overtures have been rebuffed with the only response being via CB Gold's press releases. As a result, we are presenting our proposal directly to CB Gold shareholders," comments Ian Slater, Chief Executive Officer. "We believe that the Offer represents a clearly superior alternative for CB Gold shareholders."

Reasons to Accept the Red Eagle Mining Offer

- Significant Premium - The Offer represents a premium of 46% to CB Gold's 20-day VWAP of \$0.035 and CB's closing share price of \$0.035 on June 12, 2015, the last trading day prior to CB Gold's announcement of Red Eagle Mining's proposal;
- Gold Development Company Exposure - Participation in Red Eagle Mining's flagship project, the 100% owned, fully permitted Santa Rosa Gold Project in Colombia which is expected to be in production during 2016;
- Vetis Exposure - Continued participation in CB Gold's Vetis Project;
- Colombian Experience - Red Eagle Mining's proven experience in permitting, financing and developing underground gold projects in Colombia; and
- Superior Financial Capacity - Red Eagle Mining's stronger financial capacity and institutional shareholder base, including 19.9% shareholders Liberty Metals & Mining Holdings LLC and Orion Mine Finance.

About the Red Eagle Mining Offer

The Offer is for all of the issued and outstanding Shares of CB Gold, including any CB Gold Shares that may become issued and outstanding upon the exercise of existing CB Gold convertible securities, and will be open for acceptance for 35 days, unless extended or withdrawn. The Offer is subject to certain customary conditions including the deposit under the Offer of CB Gold Shares representing not less than 51% of CB Gold Shares, receipt of all necessary regulatory approvals, no material adverse change in CB Gold, CB Gold's shareholder rights plan being waived, invalidated, or cease-traded and the proposed non-brokered private placement of CB Gold Shares for gross proceeds of up to \$3,500,000 (the "Private Placement") having been invalidated, terminated or cease traded. The Offer will not be subject to the approval of Red Eagle Mining's shareholders and is not subject to any financing or due diligence conditions.

The full details of the Offer are set out in a takeover bid circular ("Circular") and accompanying offer documents (collectively the "Offer Documents"), which Red Eagle Mining has filed with Canadian securities regulatory authorities on SEDAR and will mail to CB Gold's shareholders. CB Gold shareholders are encouraged to carefully review the Offer and Circular, which contains the full terms and conditions of the Offer as well as detailed instructions on how to tender their common shares to the Offer.

This press release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to

buy or invitation to sell, any securities of Red Eagle Mining or CB Gold. Such an offer may only be made pursuant to an offer and takeover bid circular filed with the securities regulatory authorities in Canada and pursuant to registration or qualification under the securities laws of any other such jurisdiction.

Proposed CB Gold Dilutive Financing

On May 19, 2015, CB Gold announced that it had entered into a definitive share purchase agreement with OM.L Trading Inc. to acquire 100% of the shares in Leyhat Corporation, CB Gold's wholly-owned subsidiary which holds CB Gold's interests in its Colombian properties (the "OM.L Transaction"). The OM.L Transaction was subject to shareholder approval, which was sought at CB Gold's Annual and Special Meeting (the "Shareholders' Meeting") scheduled for June 23, 2015. The deadline for submission of proxies in respect of the Shareholders' Meeting was set at 10:00 a.m. on June 19, 2015. Following receipt of all proxies for the Shareholders' Meeting, on June 22, 2015 CB Gold announced its intent to complete a \$3,500,000 Private Placement. No pricing or definitive terms were announced at that time. On the following day, June 23, 2015, at the Shareholders' Meeting, 66% of disinterested shareholders voted against the OM.L Transaction, contrary to CB Gold's management recommendation. On June 24, 2015, CB Gold announced that the Private Placement would be priced at \$0.05 per CB Gold Share and that the same related party that was frustrated in acquiring CB Gold's primary asset a day earlier, would be leading the Private Placement.

Red Eagle Mining has applied to the British Columbia Securities Commission (the "Commission") seeking an order cease trading any securities issued under the Private Placement (the "Cease Trade Application"). The Cease Trade Application was made on the basis that the Private Placement is a dilutive transaction designed to frustrate the ability of shareholders to consider Red Eagle Mining's Offer, and as such is an improper defensive tactic contrary to the public interest. Despite CB Gold's objections, the Commission decided that it would hear the Cease Trade Application and scheduled the hearing for July 3, 2015.

How to Tender Shares to the Offer

All questions regarding the Offer and how to tender CB Gold Shares should be directed to the Information Agent, Laurel Hill Advisory Group at +1 877 452 7184 (North American Toll-Free) or +1 416 304 0211 (Collect Calls) or by email at assistance@laurelhill.com. Shareholders who wish to accept the Offer may do so before the Expiry Time by delivering to Computershare (the "Depositary") (a) certificates representing the CB Gold shares to be tendered, (b) a properly completed and executed letter of transmittal (the "Letter of Transmittal") or a manually executed facsimile, and (c) any other documents required by the instructions set out in the Letter of Transmittal or Circular. The Letter of Transmittal will accompany the Offer and Circular, and will specify the offices of the Depositary at which valid deposits under the Offer may be made. Alternatively, shareholders may follow the procedure for guaranteed delivery using a notice of guaranteed delivery, as described in the Offer and Circular. Shareholders whose CB Gold Shares are registered in the name of an investment dealer, stockbroker, bank, trust company or other nominee should contact that nominee for assistance if they wish to accept the Offer.

Advisors

Red Eagle Mining has engaged National Bank Financial Inc. as its financial advisor and Farris Vaughan Wills & Murphy LLP as its legal counsel in respect of the Offer.

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. Development will initially commence with the fully permitted San Ramon Gold Mine where a positive Feasibility Study supports project development. Construction is scheduled to commence in 2015 with production in 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.

SOURCE [Red Eagle Mining Corp.](#)

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