

VANCOUVER, June 29, 2017 /CNW/ - Red Eagle Mining Corporation (TSX: R, BVL: R, OTCQX: RDEM) is pleased to announce that major shareholders Liberty Metals & Mining Holdings, LLC ("LMM"), Vertex Value Fund and Orion Mine Finance ("Orion") have informed Red Eagle Mining that they intend to fully exercise their Rights, which will result in gross proceeds to Red Eagle Mining from these shareholders of approximately C \$16 million under the Rights Offering.

A Rights Offering was chosen to give the opportunity to all existing shareholders to participate. Proceeds from the Rights Offering will be used to construct an add-on paste backfill plant. Capital expenditure for the add-on plant are estimated at US \$3M, time to construct between 3-5 months and is fully permitted. Paste backfill has provided much improved ground stability and will result in stope mucking from a smooth floor minimizing gold losses. Paste backfill will also result in improved underground operating efficiencies and overall better mining conditions.

While the paste backfill plant is being constructed, production crews have been diverted to underground mine development. This will ensure greater operational flexibility once the paste backfill plant is in operation. During this period an additional four kilometres of development will have been completed giving access to 54 ore development headings by December 2017 when ore production is scheduled to re-commence. Development ore will continue to be mined and stockpiled. Upon completion, the additional development and paste back fill system will allow consistent production resulting in an estimated 50,000 ounces of gold produced during 2018.

#### Rights Offering

Red Eagle Mining has announced (news release dated June 26, 2017) an offering ("Rights Offering") of rights ("Rights") to acquire units of Red Eagle Mining ("Unit"). Pursuant to the Rights Offering, each eligible registered holder of common shares of Red Eagle Mining ("Share") as at the close of business on July 5, 2017 will receive one Right for each Share held. For each two Rights the holder will be entitled to subscribe for one Unit at a subscription price of C \$0.35 per Unit. Each Unit will consist of:

- One Share of Red Eagle Mining; and
- One transferable Share purchase warrant ("Warrant") exercisable into one Share of Red Eagle Mining at a purchase price of C \$0.50 per Share for a period of five years from the issue date. The Warrants will be listed for trading on the TSX subject to fulfilling the TSX minimum listing conditions.

The Rights Offering includes an additional subscription privilege under which eligible holders of Rights, who fully exercise their Rights, will be entitled to subscribe, on a pro rata basis with other shareholders who participated in the oversubscription, for Units that have not been purchased under the Rights Offering.

The Shares trade on the TSX and will commence trading on an ex-rights basis on June 30, 2017. The Notice of Rights Offering and related Rights Certificates will be mailed to all registered holders of Shares as of the close of business on July 5, 2017. Shareholders who own their Shares through an intermediary, such as a bank or broker, will receive materials and instructions from their intermediary.

Any questions may be directed to our 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](mailto:assistance@laurelhill.com).

#### Credit Facility

Red Eagle Mining expects to amend its US \$60 million credit facility with Orion and LMM as follows:

- A bridge loan of US \$6.5 million will be added to the existing credit facility and upon completion of the Rights Offering will be repaid out of Orion and LMM's expected participation in the Rights Offering on closing;
- Interest will be capitalized and monthly principal repayments will be deferred until April 1, 2018; and
- Interest rate will be increased to LIBOR + 11%.

#### About Red Eagle Mining

Red Eagle Mining is a gold producer focused on building shareholder value through acquiring, developing and operating gold 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 Project, where the San Ramon Gold Mine has commenced production. Red Eagle Mining also controls [Red Eagle Exploration Ltd.](#), which owns 100% of the Vetas Gold, California Gold and Santa Ana Silver Projects and is actively consolidating additional high grade precious metal deposits in Colombia.

For further information on [Red Eagle Mining Corp.](#) please contact:

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For assistance with the Rights Offering please contact the Information Agent:

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All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Red Eagle Mining within the meaning of applicable securities laws, including statements with respect to: the likelihood of raising sufficient funds from the Rights Offering; closing of the Rights Offering; the receipt of the necessary regulatory approvals; the growth path and financial position of the company following completion of the Rights Offering; the likelihood that all major shareholders will exercise their Rights; the proposed timing of construction completion and estimated cost of the paste backfill plant; the anticipated production at the San Ramon Gold Mine upon completion of the paste backfill plant. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding the amount of proceeds to be raised under the Rights Offering, completion of the Rights Offering, major shareholders exercising their Rights, processing and recovery of mined and stockpiled ore, future prices of gold, silver and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Red Eagle Mining and there is no assurance they will prove to be correct.

Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to: the failure to obtain sufficient proceeds under the Rights Offering, regulatory approvals in connection with the Rights Offering; successful implementation of the paste backfill plant; the interpretation of results at the San Ramon Gold Mine; processing and recovery of mined and stockpiled ore, reliance on technical information provided by third parties as related to the San Ramon Gold Mine; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; satisfaction of Colombia requirements relating to the periodic submissions of Environmental Impact Assessments; possible claims against the Company; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, accidents, equipment breakdowns, risk of undiscovered, title defects and surface access, the potential for delays in exploration and permitting activities, uncertainties related to Red Eagle Mining's relationship with communities that surround its properties in Colombia, risks related to the financing agreement with Liberty Metals & Mining Holdings, LLC and Orion Mine Finance, including Red Eagle Mining's ability to meet its scheduled payment obligations, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, political risk as well as those factors discussed in the Annual Information Form of the Company dated March 31, 2017 in the section entitled "Risk Factors", under Red Eagle Mining's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Although Red Eagle Mining has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Red Eagle Mining disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.

SOURCE [Red Eagle Mining Corp.](#)

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