

Red Eagle Mining Reports Q1 2018 Financial Results

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VANCOUVER, May 16, 2018 - [Red Eagle Mining Corp.](#) (TSX:R) (BVL:R) (OTCQX:RDEM) is pleased to announce financial results for the three months ended March 31, 2018 and an update on operations at the Santa Rosa Gold Project, Antioquia, Colombia.

Key Production Metrics

Total	Q1 2018 April 2018		
Ore Mined	(tonnes)	48,616	20,390
Ore Processed	(tonnes)	60,695	21,027
Processed Gold Grade	(g/t Au)	3.15	3.02
Gold Produced	(ounces)	5,727	1,878
Recovery	(%)	93%	92%
Average Per Day			
Ore Mined	(tonnes)	540	680
Ore Processed	(tonnes)	682	701

During Q1 2018, underground development at the mine continued to advance according to plan with 1,141 meters completed. Development during Q1 2018 was primarily focused on secondary access ramps and advancing attack ramps on levels -100, -125, -150 and -175 metres, measured from surface. The mine currently has 21 active attack ramps with 11 in production (which provided 31 active ore production faces in April) and the remaining attack ramps in breasting and backfill.

Stope mining operations continued to ramp up with an average of 614 tonnes per day mined in March and an average of 680 tonnes per day mined in April. Mining rates have increased each month since October 2017. With the arrival of two additional scoops in April and development currently underway, six new attack ramps are expected to be completed during Q2 to begin ore production in high-grade areas to the west, to the east and at depth from existing production areas. These additional production faces will allow mining rates to continue to increase to an estimated 900 tonnes per day in June and to an estimated 1,000 tonnes per day in July as planned.

Rather than constructing a paste backfill plant, a thin layer of cemented paste fill is being injected on top of the backfill where appropriate to tighten fill and minimize ore loss. This alternative will result in lower capital and operating costs and more operational flexibility with a similar production profile.

The mill successfully restarted on January 2, 2018, as planned, and has been operating continuously to date. Process improvements in flotation and regrinding are expected to lead to sustained higher recoveries going forward.

Ore processed to date has an average grade of 3.12 grams per tonne and a mine call factor of 80%, though the mine call factor has gradually increased during the year to 89% during April 2018. This compares to a life of mine processed grade of 4.57 grams per tonne and a mine call factor of 88% in the feasibility study. Red Eagle Mining expects the mined grade to continually improve over time with increased experience mining the San Ramon deposit.

Gold production is forecast to increase to 3,000 ounces of gold per month in May.

Delineation Drilling

The mining stope delineation underground drill program continued during Q1 2018. Approximately, 21,688 metres have been drilled to date on ten metre centres in 250 delineation holes. The delineation drilling program continues to return intercepts with grades significantly higher than the reserve grade of 5.2 g/t Au.

Underground exploration drilling at the mine during the quarter intersected high grade mineralization including 4.75 metres at 20.3 grams per tonne gold. The drilling was below the mine workings along 300 metres of strike between sections 856,970 E and 857,200 E extending the vertical extent of known gold mineralization. Mineralization is open to depth in an area with no previous drilling and outside of the mineral resource and mineral reserve.

For complete drilling results, refer to the press releases dated February 13, 2018, March 19, 2018, and April 23, 2018.

Selected Financial Data

The following selected financial data is derived from our unaudited interim condensed consolidated financial statements for the three months ended March 31, 2018, as prepared in accordance with International Financial Reporting Standards (all amounts in thousands of US dollars, except per share amounts).

For the three months ended	March 31, 2018	March 31, 2017
Net Loss	\$ 4,201	\$ 2,591
Comprehensive Loss	4,030	2,181
Basic & Diluted Loss per Share	0.01	0.01

As at	March 31, 2017	December 31, 2017
Cash & Cash Equivalents	\$ 637	\$ 1,776
Total Assets	179,508	165,321
Total Liabilities	106,649	89,595
Shareholders' Equity	72,859	75,726

For the three months ended March 31, 2018, Red Eagle Mining reported a net loss of \$4.2 million (2017: \$2.6 million). The net loss increased compared to the 2017 period primarily due to increased mine site expenses as these costs were capitalized during 2017. Total Assets increased primarily due to increased mine development. The increase in Total Liabilities relates to the ramp up of the San Ramon 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 March 31, 2018. These documents can be found on Red Eagle Mining's website or profile at www.sedar.com.

The technical information contained in this news release has been reviewed and approved by Red Eagle Mining's Vice President of Exploration, David G. Thomas P. Geo., 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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