

Red Eagle Mining Corp. Reports Q2 2018 Financial Results

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VANCOUVER, Aug. 17, 2018 - [Red Eagle Mining Corp.](#) (TSX: R, BVL: R, OTCQX: RDEMF) announces financial results for the three months ended June 30, 2018 and an update on operations at the Santa Rosa Gold Project, Antioquia, Colombia.

Key Production Metrics

| Total | | Q1 2018 | Q2 2018 |
|----------------------|----------|---------|---------|
| Ore Mined | (tonnes) | 48,616 | 63,224 |
| Ore Processed | (tonnes) | 60,695 | 62,893 |
| Processed Gold Grade | (g/t Au) | 3.2 | 3.0 |
| Gold Produced | (ounces) | 5,727 | 5,579 |
| Recovery | (%) | 93 | % 92 |
| Average Per Day | | | |
| Ore Mined | (tonnes) | 540 | 694 |
| Ore Processed | (tonnes) | 682 | 691 |

During Q2 2018, underground development at the mine continued to advance according to plan with 947 meters completed. Development during Q2 2018 was primarily focused on secondary access ramps and advancing attack ramps on levels -125, -150 and -175 metres, measured from surface. The mine currently has 28 active attack ramps with 21 in production and the remaining attack ramps in breasting and backfill.

Stope mining operations continued to ramp up with an average of 778 tonnes per day mined in May and the mine reached approximately 900 tonnes per day in June before the mine contractor scaled back operations due to financial constraints. Prior to the mine contractor scaling back, operations were continuing to improve with June production grading 3.6 g/t Au with recoveries of 95%.

The mine contractor has recently temporarily suspended operations awaiting an expected comprehensive restructuring to improve Red Eagle Mining's financial position and allow production to resume in the near term. Red Eagle Mining is planning on announcing the restructuring as soon as possible.

The increased number of attack ramps will allow mining rates to continue to increase to 1,000 tonnes per day once production resumes. Red Eagle Mining expects to be in steady state production by the fourth quarter and forecasts production of 3,500 to 4,000 ounces of gold per month at an average grade of approximately 4 g/t Au.

Selected Financial Data

The following selected financial data is derived from Red Eagle Mining's unaudited interim condensed consolidated financial statements for the three months ended June 30, 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 | June 30, 2018 | June 30, 2017 |
|--------------------------------|---------------|---------------|
| Net Loss | \$ 72,915 | \$ 4,339 |
| Comprehensive Loss | 72,714 | 3,307 |
| Basic & Diluted Loss per Share | 0.17 | 0.02 |

| As at | June 30, 2018 | December 31, 2017 |
|-------------------------|---------------|-------------------|
| Cash & Cash Equivalents | \$ 239 | \$ 1,776 |
| Total Assets | 115,215 | 165,321 |
| Total Liabilities | 114,219 | 89,595 |
| Shareholders' Equity | 996 | 75,726 |

For the three months ended June 30, 2018, Red Eagle Mining reported a net loss of \$72.9 million (2017: \$4.3 million). The net loss increased compared to the 2017 period primarily due to recording a non-cash impairment charge of \$69.2 million to recognize property, plant and equipment of the San Ramon Gold Mine and mill at their estimated recoverable amount. Total Assets decreased due to the non-cash impairment charge. The increase in Total Liabilities relates to the ramp up of the San Ramon Gold 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 June 30, 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 Gary Hannan C. Eng., General Manager of Red Eagle Mining's Santa Rosa Gold Project, 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

[Red Eagle Mining Corp.](#)

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