



Santa Rosa Gold Project

September 2013

GOLD EXPLORATION  
& DEVELOPMENT  
IN COLOMBIA

# CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements included in this presentation are forward-looking statements within the meaning of Canadian securities laws, including the following statements regarding the Santa Rosa property: the ability of Red Eagle Mining Corporation ("Red Eagle" or the "Company") to acquire additional concessions with potential resources; the potential to develop resources and then further develop reserves; the anticipated economic potential of the concessions; the anticipated economic and political developments in Colombia; the availability of capital and finance for the Company to execute its commitments and strategy going forward. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. Many factors could cause the Company's results, performance or achievements to differ materially from those expressed or implied by the forward looking statements, including: discrepancies between actual and estimated results from exploration and development and operating risks, dependence on early exploration stage concessions; political and foreign risks; uninsurable risks; competition; regulatory restrictions, including environmental regulatory restrictions and liability; currency fluctuations; defective title to mineral claims or property and dependence on key employees. Persons reviewing this presentation are cautioned not to place undue reliance on forward-looking statements due to inherent uncertainty therein. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The PEA is considered preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The technical information contained in this presentation have been reviewed by Red Eagle Mining's Vice President of Exploration, Jeff Toohey P. Eng., who is a Qualified Person as defined under NI 43-101.

# RED EAGLE MINING CORPORATION



Developing the 100% owned Santa Rosa Gold Project into production

- TSX-V: RD, OTCQX: RDEMF
- 350 km<sup>2</sup> Santa Rosa Gold Project in the Antioquia Batholith with ten highly prospective drill targets identified to date
- Development will commence with the San Ramon deposit's Measured and Indicated Resource of 601,000 ounces of gold
- PEA outlines the potential for an average 50,000 oz/year over 10 years with low cash costs of \$540/oz and an after-tax IRR of 38%
- Feasibility, EIA and permitting have commenced. Subject to feasibility and a construction decision Initial production is planned for 2015
- Strong balance sheet and shareholder base

Low capex deliverable project with low permitting, mining and financing risk



# SENIOR MANAGEMENT

## Ian Slater – Chairman and Chief Executive Officer

Co-Founder and Chairman of Black Eagle Mining

Former Managing Partner of Arthur Andersen and Ernst & Young's Mining Practices

Chartered Accountant

## Robert Bell – Director and Chief Operating officer

Previously developed and GM of numerous mines

Founder of Minproc Engineers' Mining Division

Mining Engineer

## Jeff Toohey – Vice President Exploration

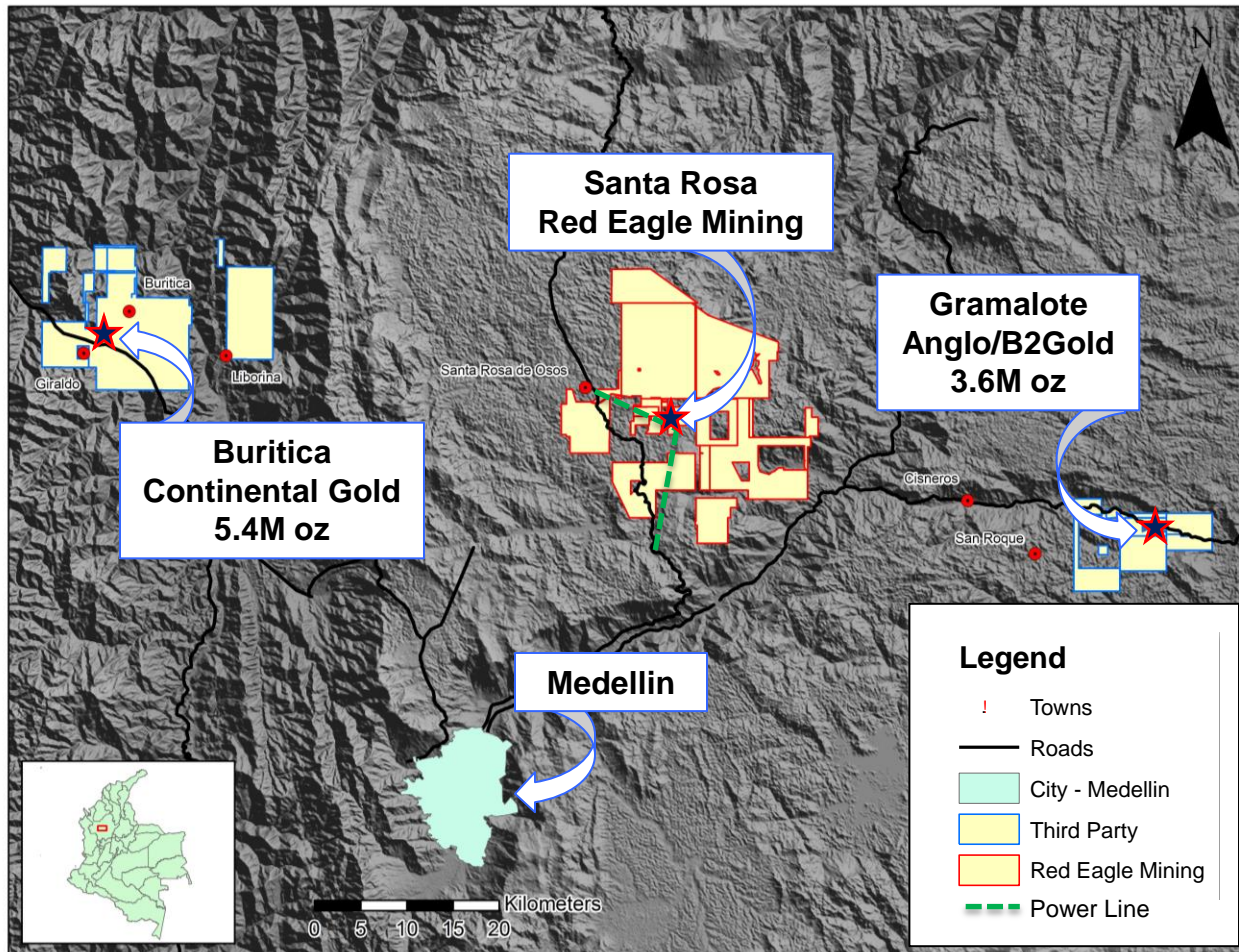
Extensive experience with gold exploration in South America including 12 years with Teck and most recently as VP Exploration of Peregrine Metal

Geologist

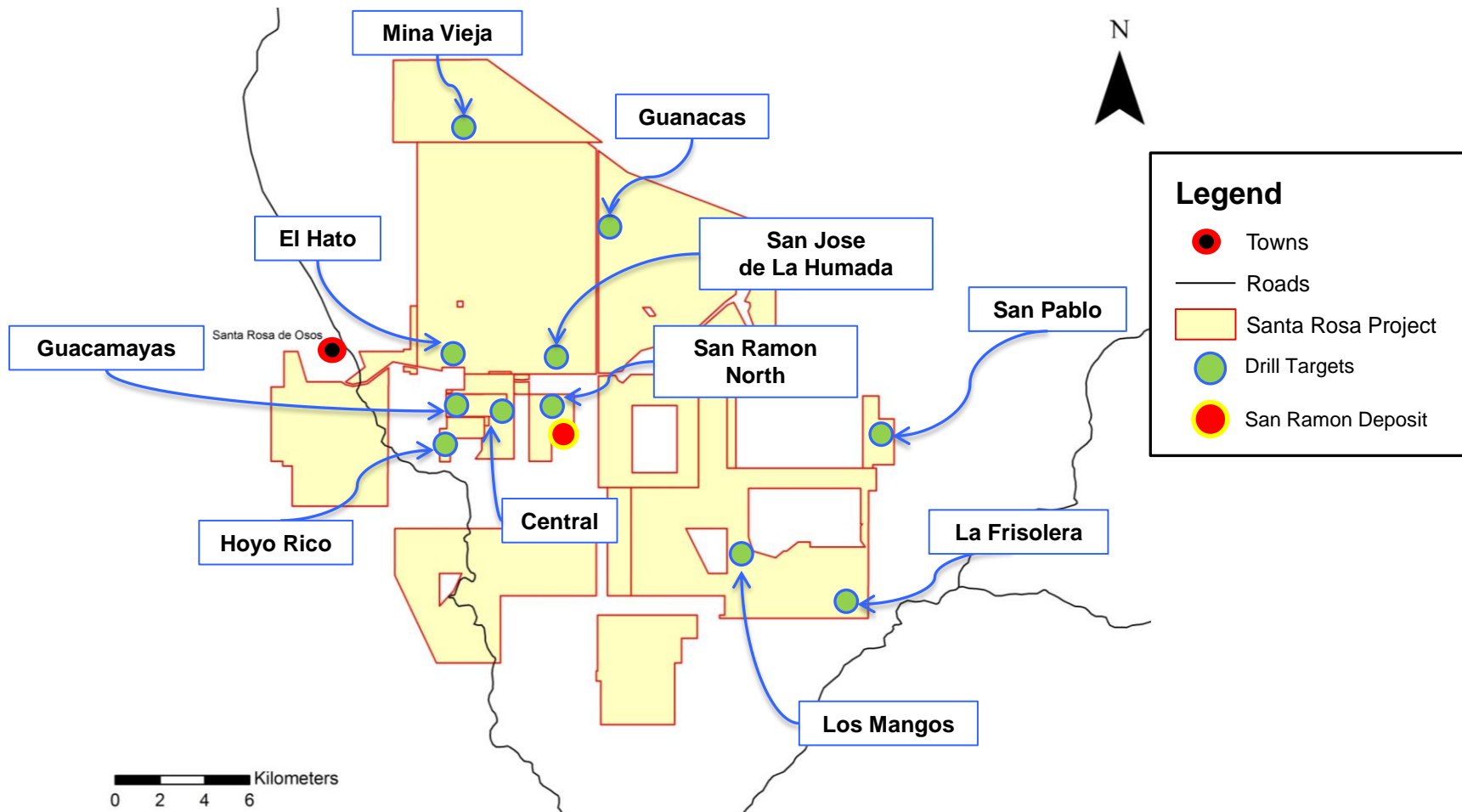
## Alan Baker – Santa Rosa Project Director

Taken numerous gold projects through feasibility, permitting and construction including for AngloGold Ashanti and Eldorado Gold

# SANTA ROSA GOLD PROJECT



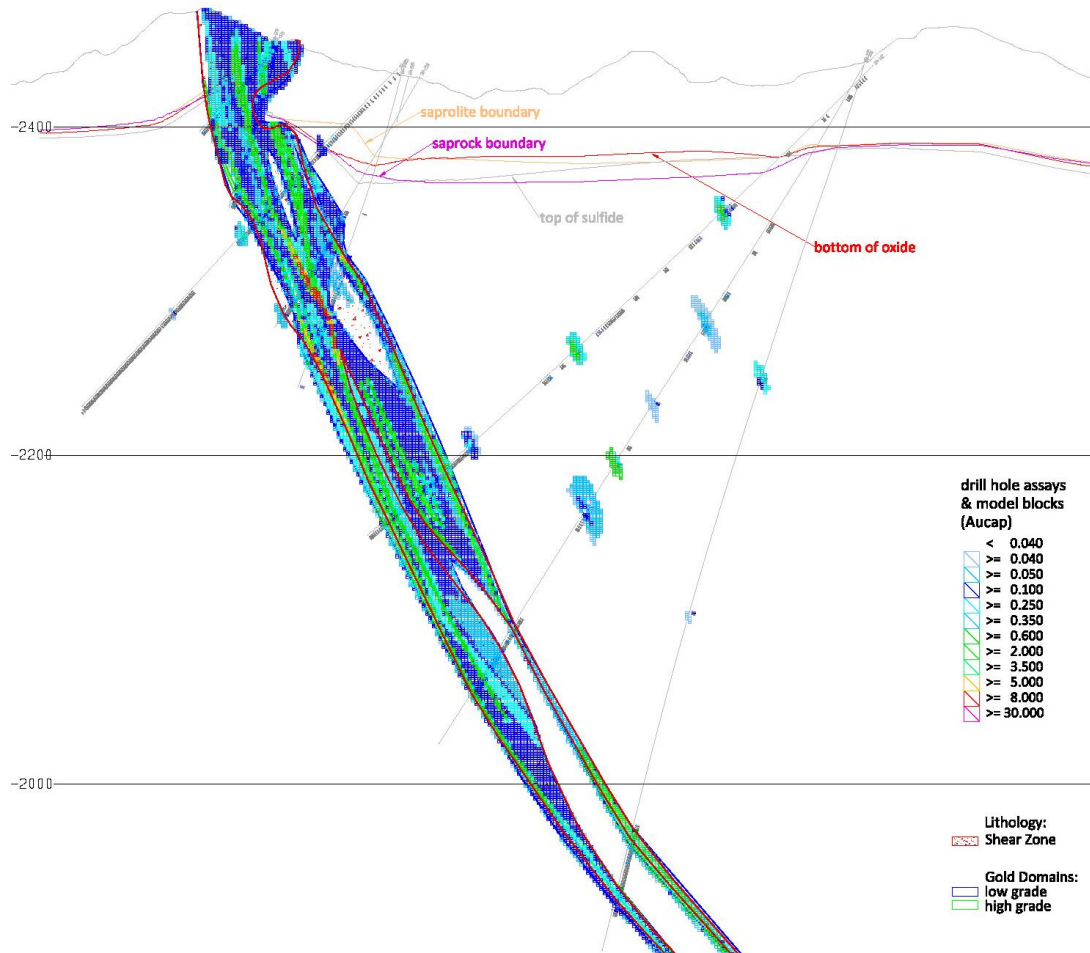
# EXPLORATION POTENTIAL



# SAN RAMON RESOURCE

	Tonnes	g/t Au	Ounces Au
<b>Resource (0.3 g/t Au cut off)</b>			
Measured	1,771,000	2.00	114,000
Indicated	8,577,000	1.77	487,000
Total M&I	10,348,000	1.81	601,000
Inferred	2,966,000	1.69	161,000
<b>Potentially Mineable Resource (2.1 g/t Au cut off, 26% dilution included to minimum mining widths)</b>			
Measured	489,367	5.68	89,368
Indicated	2,232,291	4.97	356,708
Total M&I	2,721,658	5.10	446,076
Inferred	831,370	4.16	111,151

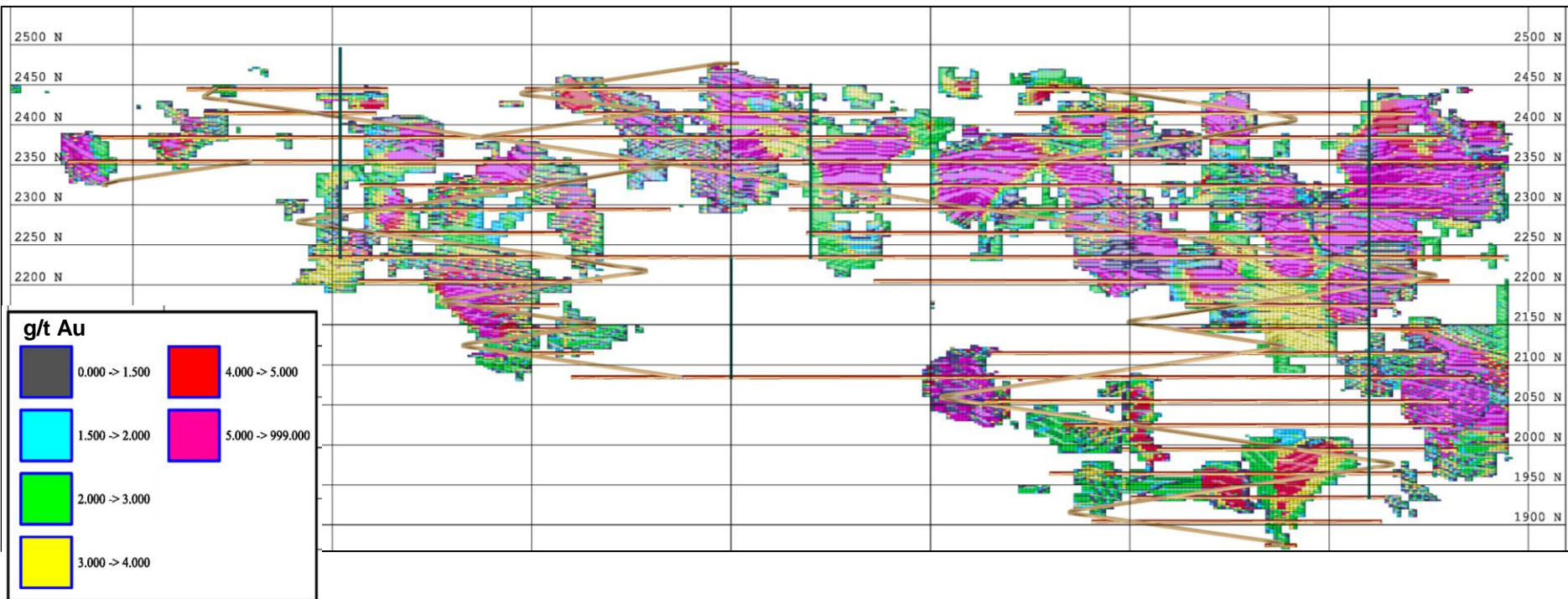
# SAN RAMON CROSS SECTION



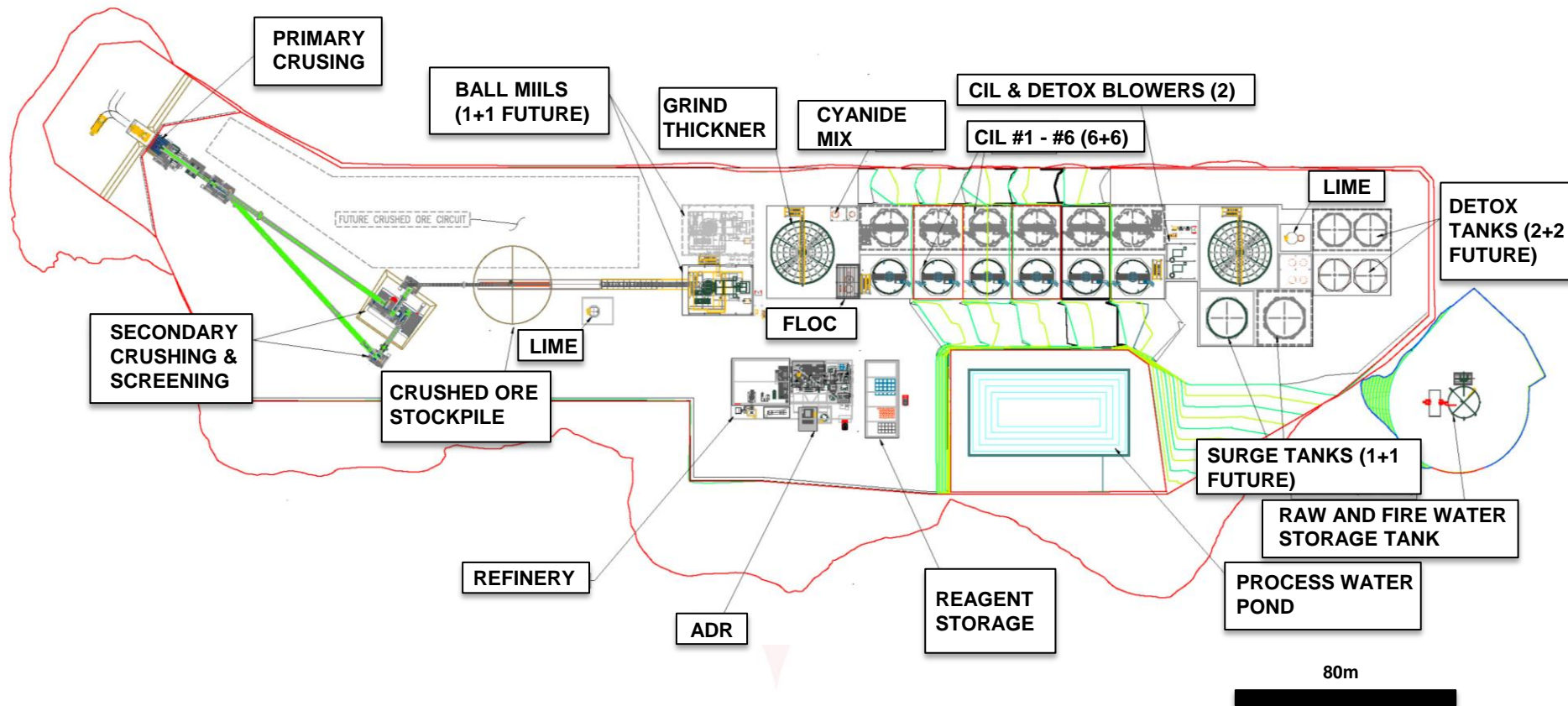
- Well defined E/W shear zone – open ended down dip
- Multiple high grade domains defined along the entire strike length and continuing at depth
- Long-life underground potential



# RESOURCE MODEL & MINE DEVELOPMENT



# PROCESSING PLANT DESIGN

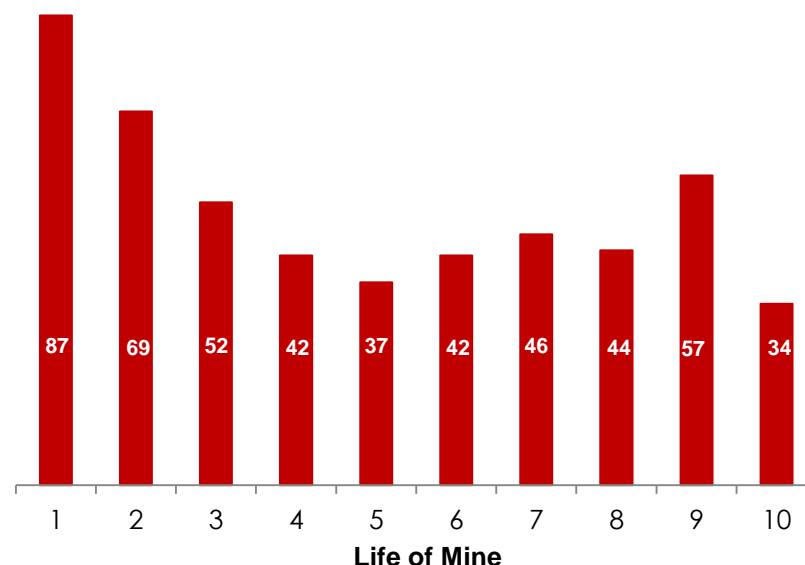


# PRELIMINARY ECONOMIC ASSESSMENT: ANNUAL PRODUCTION

## Overview

- Annual production: 360,000 tonnes
- Mine life: 10 years and 516,000 ounces (with potential to increase)
- Mining methods: underground mechanized cut & fill and sublevel long hole open stoping
- Potential open pit mining currently discounted (as subject to separate permitting)
- CIL processing at an optimum  $P_{80}$  75 micron grind size gives 93% recoveries
- No environmental restrictions, excellent security, infrastructure and community support

## Annual Gold Production (000's Oz)



# PRELIMINARY ECONOMIC ASSESSMENT

## Capital Costs

- Capital costs (including 20% contingency, 12% EPCM and 10% owners costs) estimated at \$84M plus \$7M in recoverable VAT
- Plant designed with room to add another train for 1mtpa capacity

## Environmental Mitigation in Design

- Local universities completed EBL and provide ongoing support
- Tetra Tech nearing completion of EIA in compliance with the Equator Principles and IFC guidelines
- 50% of tailings disposed as u/g backfill and the remaining 50% dry stacked with mine waste rock
- Total cyanide destruction



# PRELIMINARY ECONOMIC ASSESSMENT: OPERATING MARGINS

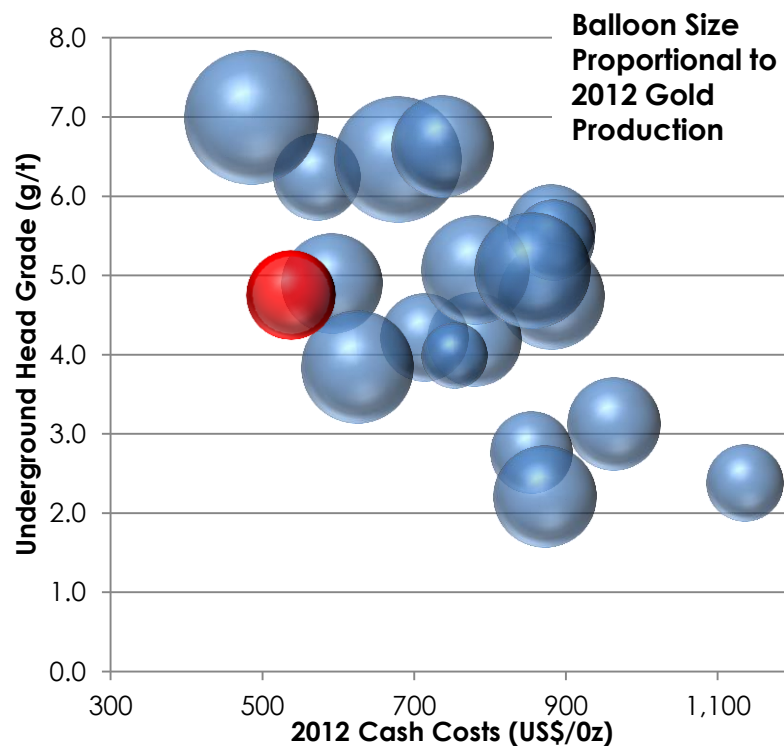
## Overview

- **C1** LOM total **cash costs** forecast to average **\$540/oz**
- **C3** LOM **all-in costs** forecast to average **\$982/oz** (incl. royalty, tax, depreciation)

## Operating Costs

Mining Cost	\$43	\$306
Processing Cost	\$27	\$193
Other Cost	\$6	\$41
<b>Total Operating Cost</b>	<b>\$76/t</b>	<b>\$540/oz</b>

## Underground Mine Grade v Cash Cost

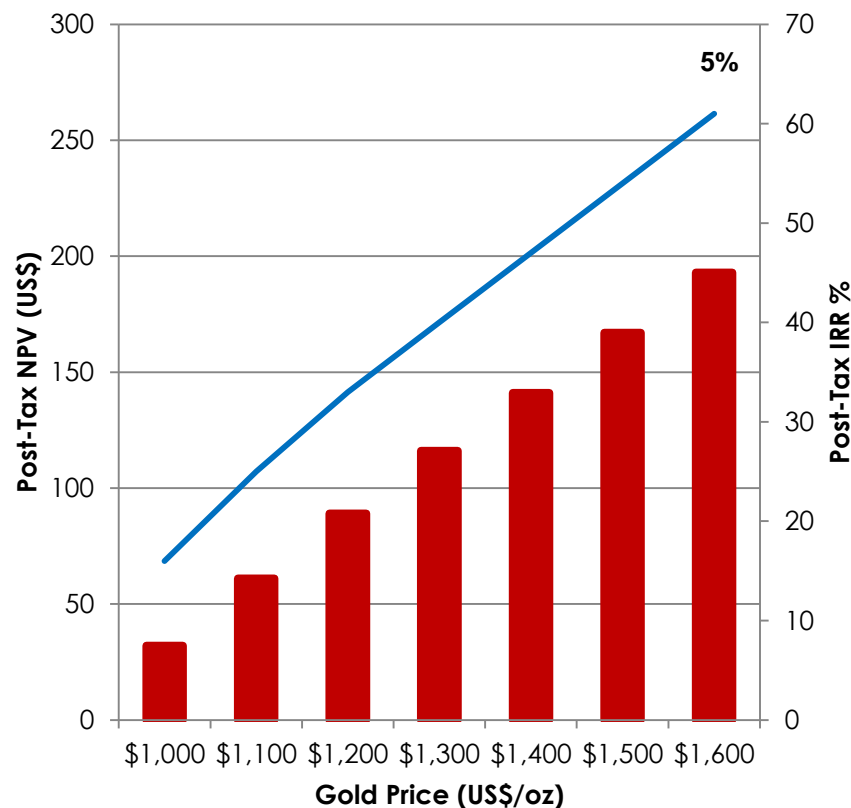


# PRELIMINARY ECONOMIC ASSESSMENT: PROJECT ECONOMICS

## Project Economics

- Assuming \$1,300 per ounce gold:
  - pre tax NPV of \$153M and IRR of 47%
  - post tax NPV of \$113M and IRR of 38%
  - payback of 1.7 years
- Breakeven gold price: \$607/oz

## Project Sensitivity (post tax)



# PROJECT TIMELINES

	2013	2014				2015			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>RESOURCE CONFIRMATION DEVELOPMENT</b>									
Decline Advance									
Underground Drilling									
Bulk Sample Testwork									
<b>FEASIBILITY</b>									
High Grade Metallurgical Testwork									
Engineering Design									
<b>PERMITTING</b>									
PTO									
EIA									
<b>CONSTRUCTION</b>									
Long Lead Equipment Orders									
Procurement and Construction									
Commissioning									
Gold Production									

# CAPITAL BUDGET

## 12 Months Estimated Capital Budget (US\$M)

San Ramon - decline and underground delineation drilling	\$9.0
San Ramon - engineering design and feasibility	\$1.0
Santa Rosa - exploration drilling	\$3.0
G&A	\$2.0
<b>Total</b>	<b>\$15.0</b>

Funding Sufficient to Take the Project Through Feasibility, Permitting and Decline Development



# CORPORATE STRUCTURE AND SHAREHOLDERS

## Recent Milestones

- \$45M raised to date
- Last financing of \$20M closed in October 2012 at \$0.55/share with no warrant
- Milestones since the last raise:
  - 45,000m drilling completed
  - Resource Estimate
  - Preliminary Economic Assessment
  - Expanded project from 3k to 35k ha

## Key Financials

Current Shares Outstanding	59m
Shares Fully Diluted	69m
Current Cash Position	\$9m
Cash Fully Diluted	\$15m

## Key Shareholders

Liberty Metals and Mining	19.9%
Appian Natural Resources	15.3%
Management	15.0%

# INVESTMENT HIGHLIGHTS

## High Quality Deposit

Technically simple gold development project being fast tracked into production in 2015 (subject to feasibility and a production decision)

## Low Cost

\$540 per ounce cash costs, 38% post tax IRR

## Low Risk

Low permitting, mining and financial risk

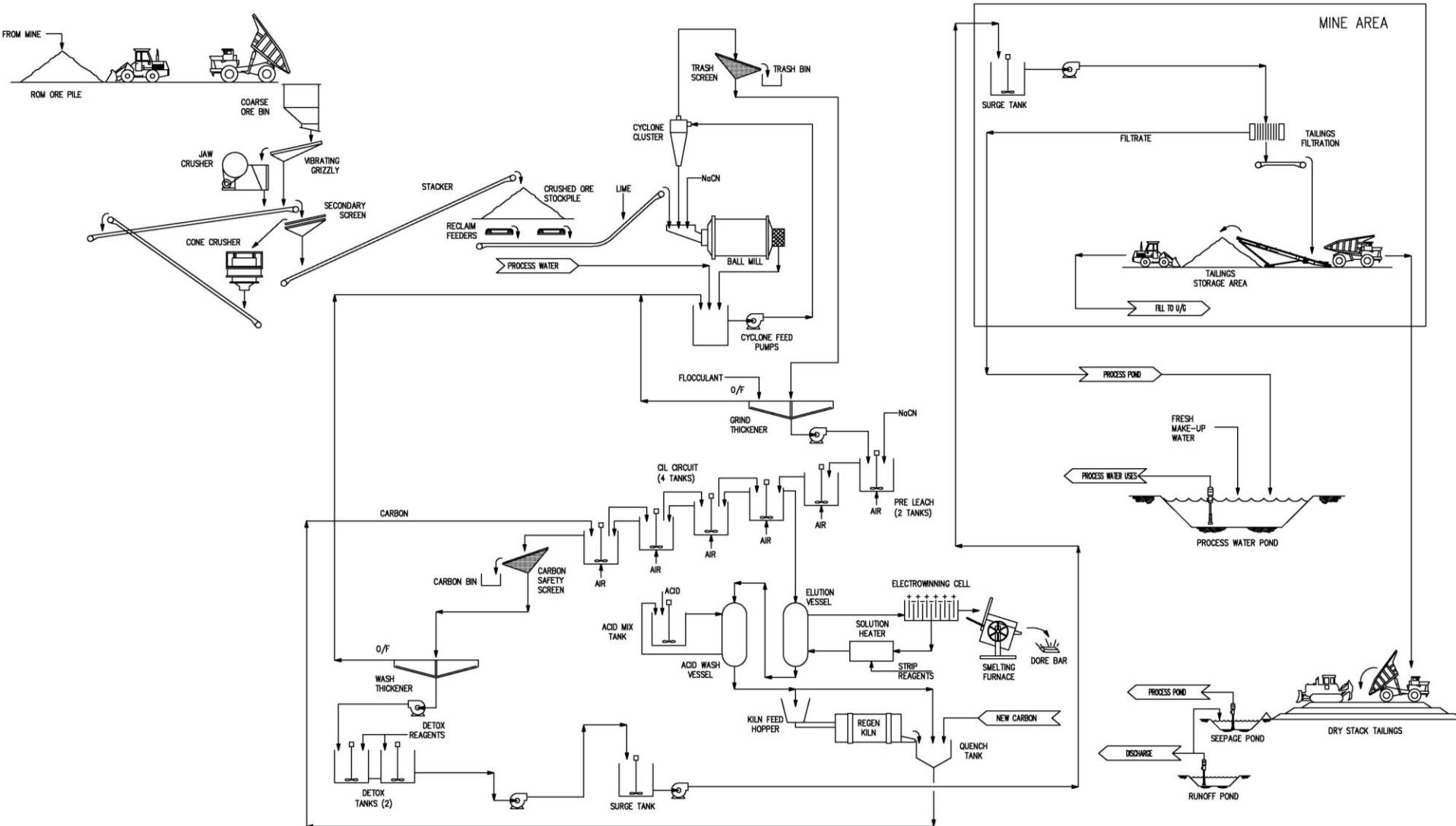
## Exploration Upside

Ten additional highly prospective drill targets identified to date in the 350 km<sup>2</sup> project

## Experienced Management Team

Over 200 years of combined mining industry experience

# APPENDIX - PROCESSING WORKFLOW



# APPENDIX - PROCESSING FACILITIES & TAILINGS





# APPENDIX - MINE PORTAL



# APPENDIX - NON-EXECUTIVE DIRECTORS

## Tim Petterson

Co-Founder and CEO of Black Eagle Mining and former Head of Global Mining Research at HSBC and ABN AMRO – Mining Engineer

## Ken Cunningham

CEO of Miranda Gold – Geologist

## Noel Dunn

Managing Director of Liberty Metals & Mining

## Jeffrey Mason

Former CFO and partner with Hunter Dickinson – Chartered Accountant

## Rob Pease

CEO of Sabina Gold & Silver. Previously CEO of Terrane Metals and GM Exploration Canada and Global Projects for Placer Dome – Geologist

## Jay Sujir

Securities and mining lawyer. Managing partner of Anfield, Sujir, Kennedy and Durno – Lawyer

# APPENDIX – PROJECT STUDIES

## Comprehensive support in achieving near-term production

### Mine Development Associates

Resource Estimate and Preliminary Economic Assessment

### Kappes Cassiday and Associates

Metallurgical Testwork and Process and Plant Design

### Golder Associates

Tailings Management

### EPM (Local Electrical Utility)

Technical Study for Power Supplies (2MW construction and 6MW permanent)

### Tetra Tech

Environmental Impact Assessment and Permitting

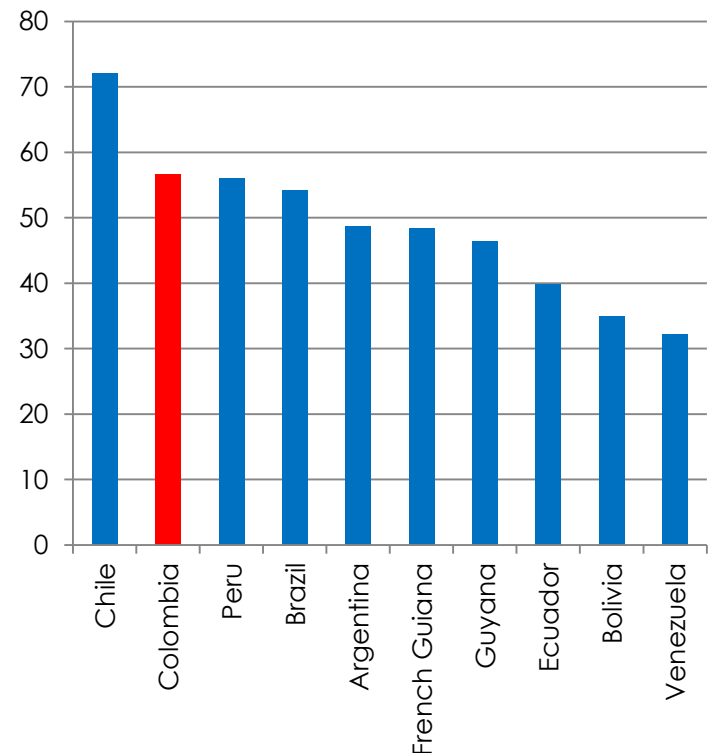
### Universidad de Antioquia and the Fundacion Universitaria Catolica del Norte

Environmental Baseline Study

# APPENDIX - MINING IN COLOMBIA

- Mining sector is a significant driver of the Colombian economy
- 4.9% of GDP growth & 23.7% of Colombia's exports in 2012
- Natural resource sector in Colombia most targeted sector for FDI
- Fraser Institute ranked Colombia 2<sup>nd</sup> out of all South American countries behind Chile
- Competitive fiscal regime; 3.2% effective government royalty and 34% corporate tax rate
- Security has greatly improved under recent administrations
- Successful exits: Ventana, Galway, Calvista
- Active companies: AngloGold Ashanti, Teck, AUX, Continental Gold, Sunward, CB Gold

**Fraser Institute Composite Policy and Mineral Potential Ranking**





# CONTACTS

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