

VANCOUVER, Sept. 14, 2015 /CNW/ - [Red Eagle Mining Corp.](#) (TSX-V: RD, OTCQX: RDEM, SSE-V: RDCL) intends to acquire all of the issued and outstanding common shares ("Shares") of [CB Gold Inc.](#) ("CB Gold") tendered to its share exchange takeover bid (the "Offer") at close of business today.

- 61% of independent shareholders have tendered their CB Gold Shares to Red Eagle Mining's Offer, while only 6% have been tendered to Batero's bid.
- Overall, holders of 45% of CB Gold Shares have already tendered their Shares to Red Eagle Mining's Offer.
- Eight out of nine of the largest independent CB Gold shareholders have tendered their Shares to Red Eagle Mining's Offer.
- The Commission has granted a cease trade order with respect to CB Gold's shareholder rights plan. Red Eagle Mining is now in a position to, and intends to, take up all Shares tendered today.

The Offer expires today, September 14, 2015, at 4:00 PM Eastern Time. Shares not tendered to the Red Eagle Mining Offer should be tendered as early in the day as possible. No further action is required for Shares which have already been tendered.

Reasons to Accept the Red Eagle Mining Offer

Red Eagle Mining outlines the reasons and benefits of tendering to its Offer below which shareholders should be aware of and carefully consider before making their decision.

Support of CB Gold Shareholders - Holders of 45% of CB Gold Shares or 61% of independent shareholders have already tendered their shares to Red Eagle Mining's Offer. In stark contrast, according to [Batero Gold Corp.](#)'s ("Batero") news releases up to September 11, 2015, holders of less than 30% of CB Gold Shares or only 6% of independent shareholders have tendered their shares to Batero's bid.

Advanced Gold Development Company Exposure - Opportunity to participate in Red Eagle Mining's flagship project, the 100% owned, fully permitted, fully financed and in construction Santa Rosa Gold Project in Colombia which is expected to be in production during 2016. Red Eagle Mining also plans to aggressively advance development of the Vetaz gold deposit.

Superior Financial Capacity - Red Eagle Mining's strong financial capacity and institutional shareholder base, including significant shareholders Liberty Metals & Mining Holdings LLC, Stracon GyM and Orion Mine Finance. Red Eagle Mining has raised over \$100 million in equity and debt financing during 2015.

Significant Premium - The Offer represents a premium of 46% to CB Gold's 20-day VWAP of \$0.035 and 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.

Exposure to a Superior Suite of Assets - The Batero-Quinchia project has permitting challenges and is not feasible at current gold prices. The preliminary economic assessment for the Batero-Quinchia project estimates a negative NPV and IRR using a US \$1,120 per ounce gold price. The detailed feasibility study for Red Eagle Mining's Santa Rosa Gold Project estimates a post-tax NPV of US \$52 million, an IRR of 32% and a payback of 1.7 years using a US \$1,100 per ounce gold price.

No Control Position - Without a controlling shareholder and with significant institutional shareholders and a majority of independent directors, Red Eagle Mining maintains industry leading corporate governance and is managed for the benefit of all shareholders.

Batero 'Increase' to Bid is Illusory - Batero has stated that it has increased its offer to an implied value of \$0.06 per Share and that CB Gold shareholders may 'elect' to receive a partial cash consideration. CB Gold shareholders are cautioned that Batero has capped the amount of cash that it will pay to CB Gold shareholders at \$5.4 million or approximately \$0.03 in cash per Share (one quarter of one cent above its previous bid). The remainder will be paid in Batero shares, providing a highly illiquid, deeply discounted, fractional ownership position in Batero.

Colombian Experience - Red Eagle Mining's proven experience in discovery, permitting, financing, and developing underground gold projects in Colombia. The Santa Rosa Gold Project is the first significant gold mine in Colombia to be permitted and commence construction in decades.

All Share Consideration - In current gold markets, share consideration offers CB Gold shareholders the ability to have additional exposure to future upside through the Santa Rosa Gold Project and the Vetaz gold deposit, rather than crystallizing losses at the bottom of the cycle through Batero's partial cash offer.

Navarro-Grau Group's Flagrant Disregard for Minority Shareholders

When deciding whether to tender to the Red Eagle Mining Offer, CB Gold shareholders are asked to consider alarming facts

regarding the actions of the Navarro-Grau Group with respect to the treatment of existing minority shareholders of which shareholders should be aware of and carefully consider before making their decision.

CB Gold and Batero insider, the Navarro-Grau Group has a history of obtaining control of public companies through diluting existing minority shareholders. For example, the Navarro-Grau Group acquired a 20% interest in [Antioquia Gold Inc.](#) ("Antioquia Gold") on August 13, 2010 and subsequently increased their stake to 57% through dilutive private placements priced at \$0.05 per share. Antioquia Gold shares are highly illiquid with a current share price of \$0.045 and a market capitalization of just \$10 million.

The Navarro-Grau Group acquired a 35% controlling interest in Batero on December 13, 2012. Batero's shares have since become highly illiquid with a current share price of \$0.07 and a market capitalization of just \$6 million. Since being acquired, Batero stock has persistently traded at a market capitalization of approximately 50% of cash on its balance sheet. According to Batero and CB Gold's most recent financial statements, were Batero's bid for CB Gold to be successful it would be inadequately funded to advance its projects with less than \$4 million in working capital. The Navarro-Grau Group is subject to a standstill with Batero until December 13, 2015, after which the same pattern of dilutive private placements can be expected.

On September 8, 2015, Batero announced that it was acquiring a grass roots exploration property (the "Colorado property") from Sociedad Ordinaria de Minas Colorado S.O.M. Ltda. ("Colorado SOM"), which is owned by insider and Batero director Juan David Uribe, for 20% cash and 80% Batero or CB Gold shares at a valuation approved by a committee of independent directors of Batero. Appointing independent directors to the committee should prove challenging as other than Juan David Uribe himself, the other three directors are all Navarro-Grau Group employees.

The Colorado property appears to have been acquired not for its prospective geology but as an opportunity to issue significant shares to insiders. [Galway Gold Inc.](#) ("Galway") announced on July 19, 2013 that it had terminated an option agreement on the same Colorado property. Galway conducted extensive surface sampling and geophysical programs and drilled 1,232 meters with no significant results identified. For example, as disclosed by Galway, the best intersections in the two Colorado holes, GLW-V069 and GLW-072, included 1.5 metres of 0.36 grams per tonne gold and 1.4 metres of 0.12 grams per tonne gold. Furthermore, 45% of the Colorado property is within the Santurban Natural Park.

About the Red Eagle Mining Offer

The Red Eagle Mining 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. The Offer is subject to certain customary conditions including receipt of all necessary regulatory approvals and no material adverse change in CB Gold. 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.

Under the terms of the Offer, each CB Gold 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 on June 12, 2015, the last trading day prior to CB Gold's announcement of Red Eagle Mining's proposal. The Offer will remain open until 4:00 PM Eastern Time today, September 14, 2015 ("Expiry Time").

The full details of the Offer are set out in the takeover bid circular ("Circular"), accompanying offer documents and the notice of variation and extension (collectively the "Offer Documents"), which Red Eagle Mining has filed with Canadian securities regulatory authorities on SEDAR and mailed to CB Gold's shareholders. CB Gold shareholders are encouraged to carefully review the Offer Documents, 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. No further action is required for Shares which have already been tendered.

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.

How to Tender Shares to the Offer

Shareholders who wish to tender their CB Gold Shares to the Red Eagle Mining Offer can do so as follows:

Beneficial Shareholders (shareholders who hold CB Gold Shares through a bank, broker, investment dealer or other intermediary) should simply call and provide tender instructions to their advisor before today's deadline.

Registered Shareholders (shareholders who hold CB Gold Shares directly and are represented by a certificate) should tender their shares by delivering to Computershare (the "Depository") (a) certificates representing the 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 Offer Documents. The Letter of Transmittal was included in the Offer Documents and specified 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 Documents.

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.

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 corporation 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 square kilometre historic Santa Rosa Gold Project located in the Antioquia Batholith. Construction is underway at the fully permitted and fully financed San Ramon Gold Mine with production expected to commence in the second half of 2016.

For assistance with the Offer please contact the Information Agent:

Laurel Hill Advisory Group
+1 877 452 7184 North American Toll-Free
+1 416 304 0211 Collect Calls Outside North America
+1 416 646 2415 Facsimile
assistance@laurelhill.com

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Contact

on [Red Eagle Mining Corp.](#) please contact: Patrick Balit, Director Corporate Development, [Red Eagle Mining Corp.](#), Suite 920 - 1030 West Georgia Street, Vancouver, BC, V6E 2Y3, +1 778 372 2558, +1 604 360 5722 mobile, balit@redeaglemining.com, www.redeaglemining.com