

## Eco Oro Provides Update to Shareholders

- Directors, Officers and Employees demonstrate their clear commitment to the Company, seeking to focus Eco Oro's precious resources on pursuing the arbitration claim against Colombia and not on responding to litigation commenced by the Dissidents for tactical advantage in their quest for control of the Board.
- Directors and Officers of Eco Oro agree not to exercise any of the validly issued and shareholder authorized options granted to them on May 8, 2017 until after the conclusion of the 2017 annual general and special meeting of shareholders.
- Trexs' board appointee, David Kay, to continue to receive no remuneration from the Company as a director, including options.
- Eco Oro receives extension of default waiver from Trexs.

VANCOUVER, May 24, 2017 /CNW/ - **Eco Oro Minerals Corp. ("Eco Oro" or the "Company") (TSX: EOM)** responds today to unfounded attacks on the Company's recent grant of options (the "Options") to key employees, officers and directors. The Company issued the Options in accordance with the existing shareholder-approved option plan and with a view to protect the Company's most significant asset, the claim against the Government of Colombia pursuant to a request for arbitration filed with the World Bank's International Centre for Settlement of Investment Disputes (the "Arbitration"). In order to avoid any controversy, the officers and directors of Eco Oro have agreed that they will not exercise any of the 2,150,000 Options recently granted to them by the Company on May 8, 2017 until after the conclusion of the 2017 annual general and special meeting of shareholders of the Company (the "Meeting").

A group of shareholders, led by Courtenay Wolfe and Harrington Global Opportunities Fund Ltd. (the "Dissidents") have asserted in a news release dated May 18, 2017, that the issuance of the Options was at odds with the Company's past practices and its only purpose was to entrench the board of directors of the Company (the "Board"). This assertion is false and is an apparent attempt to create leverage in their ongoing litigation campaign against the Company.

The Company's sole purpose in awarding Options to key employees, officers and directors was to incentivize them to remain with and in the Company's employ during the critical period leading up to and including the Arbitration. The issuance of the Options was based on a careful and thorough consideration of various factors by the Board, including the recommendations of the Company's Compensation Committee.

The Dissidents do not seem to understand that the Company's ability to successfully pursue the Arbitration depends upon continuity of its management and work force in Colombia, and retaining the Colombian employees who have detailed knowledge of the events that will be the subject of the Arbitration notwithstanding the Company's constraint ability to pay competitive wages. The Options granted to these employees were intended, in part, to demonstrate the continued loyalty and appreciation of the Company and the Board.

The current directors of the Company receive nominal compensation. Mr. David Kay, the Board appointee of Trexs Investments, LLC ("Trexs"), an entity managed by Tenor Capital Management Company, L.P., does not accept any compensation for his acting as a director and has disclaimed any interest in the options granted on May 8, 2017. This level of compensation is significantly less than the compensation awarded to directors in similar companies. The Options granted to the Board members were intended to have a similar effect as the Options granted to employees.

The Company's directors and officers have agreed not to exercise their options until after the conclusion of the Meeting in a demonstration of their steadfast commitment to allowing the Company to remain focused on the Arbitration and maximizing value for all stakeholders instead of spending more money litigating baseless claims and actions advanced by the Dissidents aimed at gaining control of the Company. As a result, the only Options issued on May 8, 2017 that are currently eligible to be exercised are the 660,000 Options issued to employees of the Company working in Colombia, representing approximately one half of one percent (0.5%) of the issued and outstanding shares of the Company.

"While the current Board and the Dissidents may be at odds about the direction of the Company, one hopes that the Dissidents recognize that incentivizing employees to remain with the Company during these difficult and litigious times is good for all shareholders. The decision of the directors and officers to delay any exercise of their Options was done to avoid any possible controversy, and with the hopes that the Company can avoid the need to spend precious resources that should be directed at the Arbitration, to defend the Options issuance that was done in the necessary course of business," said Anna Stylianides, Executive Chairman.

### Waiver of Defaults

Trexs has extended the term of the waiver of defaults it has provided to the Company from May 23, 2017 to May 25, 2017.

As previously disclosed in the Company's interim financial statements for the three month period ended March 31, 2017 and related management discussion and analysis, as part of the implementation of the investment agreement between the Company and Trexs, the Company covenanted to deliver certain Colombian security documents, registrations, opinions and certificates of insurance relating to the security granted in connection with the contingent value rights certificates. As a result of delays in completion of these obligations, the Company had sought and obtained waivers from Trexs.

In addition, due to the numerous legal and regulatory proceedings that have been commenced by the Dissidents, the Company has been required to spend significant and previously unbudgeted amounts defending those proceedings. As a result, upon the expiry of the current waiver from Trexs, the Company believes that it will be in default under the contingent value rights certificates in respect of certain covenants and restrictions on the business of the Company regarding the use of the investment proceeds, which defaults are covered by the current waiver.

### Company Profile

**Eco Oro Minerals Corp.** is a publicly-traded precious metals exploration and development company with a portfolio of projects in Colombia. Eco Oro has been focused on its wholly-owned, multi-million ounce Angostura gold-silver deposit, located in northeastern Colombia.

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.*

### Forward-Looking Statements

Certain statements in this press release are "forward-looking" within the meaning of Canadian and United States securities legislation. Forward-looking statements are generally, but not always, identified by the words "expects", "plans", "anticipates", "in the event", "if", "believes", "asserts", "position", "intends", "envisages", "assumes", "recommends", "estimates", "approximate", "projects", "potential", "indicate" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements in this press release include, but are not limited to, statements concerning the Arbitration and the Company's strategies and objectives, both generally and specifically, in respect of the Agnostura mineral project, statements with respect to the Meeting, statements concerning the exercise of the Options, statements concerning potential defaults by the Company under the contingent value rights certificates in respect of certain covenants and restrictions on the business of the Company regarding the use of the investment proceeds.

All information, other than statements of historical fact, included herein, including without limitation, information regarding the Arbitration, Options and potential defaults by the Company under the contingent value rights certificates are forward-looking information that involve various risks and uncertainties.

Although the Company believes that such statements are reasonable, there can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in its documents filed from time to time with the applicable regulatory authorities and include, but are not limited to, uncertainties and risks related to the current and outstanding legal and regulatory proceedings faced by the Company, investment performance, minority investments, availability of further financing to fund planned or further required work in a timely manner and on acceptable terms, changes in project parameters as plans continue to be refined, uncertainties relating to the availability and costs of financing needed in the future, regulatory, environmental, political and other risks of the mining industry other risks discussed in disclosure documents filed by the Company with Canadian securities regulators as more fully described in the management discussion and analysis in the Company's annual and interim financial statements and its annual information form for the year ended December 31, 2016 and dated March 27, 2017 (the "2017 AIF"), all of which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders are cautioned not to place undue reliance

on forward-looking information.

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**For further information:** please visit the Company's website at [www.eco-oro.com](http://www.eco-oro.com) or contact: Mark Moseley-Williams, President and Chief Executive Officer, Tel: +1 604 682 8212, TF: + 1 855 682 8212; Shareholders Please Contact: D.F. King, North American Toll Free Number: 1-800-240-2133, Outside North America, Banks, Brokers and Collect Calls: 1-201-806-7301, Email: [inquiries@dfking.com](mailto:inquiries@dfking.com); Members of the Media Only: Riyaz Lalani, Bayfield Strategy, Inc., [rlalani@bayfieldstrategy.com](mailto:rlalani@bayfieldstrategy.com)

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