

Eco Oro Announces Settlement Agreement with Shareholders and Appointment of a New Board

VANCOUVER, Aug. 1, 2017 /CNW/ - **Eco Oro Minerals Corp. ("Eco Oro" or the "Company") (TSX: EOM)** announced that a comprehensive settlement agreement (the "**Agreement**") was reached yesterday between the Company and thirteen shareholders representing approximately 66.3% of the issued and outstanding common shares of the Company entitled to vote at the upcoming annual general and special meeting of shareholders (the "**2017 Meeting**"). These shareholders include Trexs Investments, LLC ("**Trexs**"), Courtenay Wolfe, Harrington Global Opportunities Fund and Harrington Global Limited ("**Harrington**" and together with Courtenay Wolfe, the "**Shareholder Group**"). The Agreement has been approved by the Company's board of directors and upon implementation will resolve all outstanding litigation relating to the Company's board composition, investments by Trexs and other shareholders and the 2017 Meeting. The Agreement unites the shareholders of Eco Oro in pursuit of its arbitration claim against the Republic of Colombia (the "**Arbitration Claim**").

Under the terms of the Agreement, which will be filed on SEDAR, a new five member board of the Company has been constituted and is comprised of Trexs' nominees, David Kay and Anna Stylianides, the Shareholder Group's nominees, Courtenay Wolfe and Peter McRae, and an independent director, Lawrence Haber, selected by the Shareholder Group and Trexs pursuant to the terms of the Agreement (the "**New Board**"). David Kay and Courtenay Wolfe have been named co-executive chairs of the New Board. The Company will seek approval of the New Board at the 2017 Meeting (which will be held no later than September 30, 2017), at which meeting shareholders will also be asked to consider and approve the following resolutions (the "**Resolutions**"):

- a plan of arrangement under the *Business Corporations Act* (British Columbia) that will, subject to compliance with applicable securities laws, result in shareholders (other than persons (the "**CVR Holders**") currently holding contingent value rights ("**CVRs**")) having the opportunity to acquire 19.45% of the outstanding CVRs following implementation of the matters to be approved at the 2017 Meeting (or CVRs entitled to 14.1% of the gross proceeds of the Arbitration Claim) for an aggregate purchase price of US\$1.11 million (the "**Proposed Arrangement**"). Pursuant to the Proposed Arrangement (i) up to 17.17% of the CVRs, in aggregate, that were issued by the Company to CVR Holders, will effectively be made available for purchase by persons (other than CVR Holders) who are shareholders as of the record date for the 2017 Meeting and entitled to vote in respect of such meeting (the "**CVR Acquiring Shareholders**"), and (ii) additional CVRs representing 2% of the gross proceeds of the Arbitration Claim shall be made available by the Company to the CVR Acquiring Shareholders;
- an amendment to the Management Incentive Plan of the Company, effective as of January 13, 2017, to, among other things, reduce the cash retention amount pool from 7% to 5% of the total gross proceeds of the Arbitration Claim;
- certain amendments to various agreements that shall permit the implementation of the transactions noted above and the terms of the Agreement, including an amendment to the terms of the notes issued on November 9, 2016 to ensure that the CVR Holders will be entitled to acquire sufficient common shares to enforce the provisions of the Agreement if a material breach of the Agreement occurs;
- appointment of auditors; and
- reconfirmation of the amended and restated incentive share option plan of the Company.

Additional details regarding the Resolutions and the 2017 Meeting will be outlined in a circular and related materials that are expected to be mailed to shareholders in August 2017.

Under the terms of the Agreement, the 2017 Meeting must be completed and all Resolutions (including approval of the New Board) must be approved by shareholders by no later than November 10, 2017 (the "**Outside Date**") with certain exceptions related to, among other things, delays in obtaining all necessary regulatory approvals that are outside of the Company's control. The Proposed Arrangement will also require final approval from the Supreme Court of British Columbia. Failure to timely approve the Resolutions will result in the termination of the Agreement and the Proposed Arrangement.

Other key terms of the Agreement include:

- David Kay and Courtenay Wolfe acting as co-chairs of the 2017 Meeting;
- standstill in respect of all pending litigation between the Company and shareholders relating to the matters being settled (the "**Litigation**"), and all such Litigation will be dismissed following the 2017 Meeting and approval of all Resolutions;
- shareholders who are party thereto agreeing to support the New Board and vote in favour of certain other matters until the conclusion of the Company's 2022 annual general meeting;
- formation of an Arbitration and Budget Committee of the New Board comprised of David Kay and Courtenay Wolfe;
- covenants by the New Board that future financings should, if possible, be structured to enable all shareholders to participate on a *pro rata* basis;
- payment of the fees and expenses of the Shareholder Group and certain other shareholders in connection with the Litigation, as well as the fees and expenses of certain counsel in connection with the implementation of the transactions provided for under the Agreement;
- confirmation that the options to purchase common shares issued to directors and executives on May 8, 2017 will not be exercisable until following the completion of the 2017 Meeting, and, upon approval of all Resolutions, all such options shall terminate and cease to exist; and
- temporary waiver by Trexs of all existing and future defaults and events of default under the relevant investment documents until the earliest of (i) implementation of the Proposed Arrangement, (ii) November 10, 2017 (or in certain circumstances December 31, 2017) or (iii) termination of the Agreement, with such temporary waiver automatically becoming a permanent waiver of any such defaults upon the implementation of the Proposed Arrangement.

"We are so pleased to have come together to resolve all litigation with the Shareholder Group and other shareholders and to move forward with a shared vision for what we all believe is in the best interest of the Company and its stakeholders. The settlement recognizes the critical role that management and employees have and will continue to play in the success of this Company and preserves the critical investments made by existing shareholders that have provided the foundation to protect, enhance and maximize value for all shareholders. We look forward to working with the new board members, Courtenay Wolfe, Peter McCrae and Lawrence Haber, to expeditiously implement the transactions under the settlement and direct all of the Company's focus on the pursuit of the arbitration claim against Colombia" said David Kay, co-executive chair of the New Board.

"We are grateful for the overwhelming shareholder support we have received that has helped us to reach this important settlement agreement. We thoroughly support the settlement and what it represents: an opportunity to unite the Company and its shareholders and keep management moving in the right direction to optimize value. The settlement is in the best interest of all stakeholders of the Company, and we are urging shareholders to vote for it. Going forward, our unified management team will work together in the best interest of the Company and all of its stakeholders. I am looking forward to working with fellow board members to leverage their expertise and invaluable experience for the benefit of all shareholders. As co-executive chair of the board, my top priority will be to ensure that this Company's value is well protected" said Courtenay Wolfe, co-executive chair of the New Board.

The Company would like to thank its former directors, Hubert Marleau, Derrick Weyrauch and Kevin O'Halloran for their unwavering commitment to the Company and tireless efforts in maximizing shareholder value. The Company is very grateful for their time and effort and wishes them the best success with future opportunities.

Brief biographies of the new members of the board are set out below:

Courtenay Wolfe – Ms. Courtenay Wolfe is a seasoned executive with over 20 years of experience and a proven track record of success in various fields, including corporate strategy, turnarounds, restructuring, international arbitrations, strategic negotiations, marketing and business development. Courtenay is active in the areas of venture capital and private equity in a diverse range of sectors. Courtenay is currently the principal of Canopy Capital Inc., a venture capital company, and is an executive board member of FB Sciences, Inc. and Vital Alert Communication Inc. Courtenay has appeared on BNN, CNBC and Bloomberg Television and has done one-on-one speaking appearances with notable world and business leaders such as Warren Buffet, former President Bill Clinton and Richard Branson.

Peter McRae – Mr. Peter McRae is a Chartered Accountant and a graduate from the Directors Education Program of the Institute of Corporate Directors with an ICD.D designation. He is currently the Chairman, and between 1994 and 2015, was the President and CEO, of Freedom International Brokerage Company, Canada's largest Inter-Dealer Broker. Mr. McRae's earlier career involved four years in Abu Dhabi as a Financial Administrator for an engineering firm before joining the investment dealer Wood Gundy, first in Toronto and subsequently in New York. Mr. McRae has been a director of several public companies and is currently a director and the Chair of the audit committee of Founders Advantage Capital Corp. (formerly FCF Capital Inc.) (TSXV: FCF).

Lawrence Haber – Mr. Lawrence Haber is currently a private advisor and consultant and has served as the Chair of the Board of Diversified Royalty Corp. (TSX: DIV), a royalty finance company, since June 2011. Mr. Haber also served as President and Chief Executive Officer of Diversified Royalty Corp. from June 2011 until August 2013. Mr. Haber was a securities lawyer and a senior partner in a Toronto law firm from 1985 to 2000. He then spent 10 years as a senior executive in the financial industry with National Bank Financial and DundeeWealth Inc. Mr. Haber in recent years acted as Special Advisor to the Ontario Securities Commission staff regarding a number of policy projects and was a member of an Expert Committee tasked by the Ontario Minister of Finance to provide its advice regarding the regulation of financial advice and financial planning advice. Currently, in addition to being the Board Chair of Diversified Royalty Corp., Mr. Haber is a member of the Advisory Boards of Westcourt Capital Corp. (portfolio manager in the alternative asset sector) and Laurus Capital Corp. (portfolio manager in the Canadian small cap sector).

The terms of the Agreement will be available at www.sedar.com and www.eco-oro.com.

Company Profile

Eco Oro Minerals Corp. is a publicly-traded precious metals exploration and development company. Eco Oro has been focused on its wholly-owned Angostura gold-silver deposit, located in northeastern Colombia, currently the object of the Arbitration Claim.

Forward-Looking Information

Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Such forward-looking information includes, but is not limited to, statements with respect to the implementation of the Agreement, the pursuit by the Company of the Arbitration Claim, the potential completion and timing of the Proposed Arrangement, approval of the Resolutions, resolution of the Litigation and the potential benefits thereof to the Company and its shareholders. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Statements with respect to the benefits of the Agreement, including providing a clear path forward for the Company to pursue the Arbitration Claim, are subject to the risk of not obtaining at all, or on a timely basis, all required regulatory approvals and approvals of the Resolutions by shareholders at the 2017 Meeting. The failure to achieve certain approvals by November 10, 2017 (or, in certain circumstances, by December 31, 2017) may result in Courtenay Wolfe, Peter McRae and Lawrence Haber having to resign from the board of directors and the termination of the Agreement; and in such circumstances the value of the common shares of the Company could be adversely impacted. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. 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 statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

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

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For further information: please visit the Company's website at www.eco-oro.com or contact: David Kay and Courtenay Wolfe, Co-Executive Chairs, Tel: +1 604 682 8212, TF: + 1 855 682 8212; Members of the Media Only, Riyaz Lalani, Bayfield Strategy, Inc., rlalani@bayfieldstrategy.com

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