

# Eco Oro files Memorial in arbitration against Colombia

VANCOUVER, March 20, 2018 /CNW/ - **Eco Oro Minerals Corp.** ("**Eco Oro**" or the "**Company**") (CSE: **EOM**) has filed a memorial on the merits (the "**Memorial**") with the World Bank's International Centre for Settlement of Investment Disputes ("**ICSID**") in its arbitration (the "**Arbitration**") against the Republic of Colombia ("**Colombia**").

Eco Oro is seeking USD\$764 million as compensation for the damages it has sustained as a result of Colombian State measures that have destroyed the fair market value of Eco Oro's investments in the Colombian mining sector and deprived Eco Oro of its rights under its principal mining title, Concession Contract 3452 ("**Concession 3452**"), comprising the Angostura gold and silver deposit (the "**Project**").

Eco Oro was one of the first foreign mining companies to invest in Colombia's gold mining sector. The Company has invested over US\$250 million to develop the Project. As a result of these investments, Eco Oro declared resources for the Angostura deposit where none existed before and the deposit is now one of the largest in Colombia. Eco Oro made these investments in reliance on Colombia's commitments in its mining titles, including Concession 3452, that were stabilized pursuant to Colombian law. The Colombian Government made repeated assurances of support for the Project, even declaring it to be a "project of national interest". Eco Oro itself has been lauded for its social programs and its environmental practices, receiving awards both internationally and from the Colombian authorities. In December 2014, the Colombian government issued Resolution 2090 for the first time delineating the Santurbán Páramo in the vicinity of the Project. Although the Resolution restricted mining in the newly designated Páramo, it exempted certain pre-existing mining concessions, such as Eco Oro's Concession 3452.

Notwithstanding these commitments and assurances, the Colombian Government, through the Colombian National Mining Agency (*Agencia Nacional de Minería* or "**ANM**") issued a decision in August 2016 depriving Eco Oro of vital rights over the majority of Concession 3452 on the basis of a Constitutional Court decision issued in February 2016. The government failed to dispel uncertainty with respect to Eco Oro's rights over other areas of the Concession. This effectively neutralized any benefit Eco Oro could obtain from the Project. Subsequently, in November 2017, a further decision by the Constitutional Court overturned the whole of Resolution 2090 and required that the Santurbán Páramo be redelineated. This process is not expected to be completed before November 2018 and will likely lead to increased restrictions on mining. Meanwhile, Eco Oro has an impending deadline to submit a mine plan to the National Mining Agency. Failure to do this will mean Concession 3452 will be subject to termination by the National Mining Agency. However, given the ongoing uncertainty as to where Eco Oro can pursue mining activities within Concession 3452 (if at all), Eco Oro has no basis upon which to create such plans. The government has refused to grant Eco Oro a suspension of its deadline for submitting plans. The entirety of Concession 3452 is thus in a state of paralysis and facing potential termination.

The Memorial sets out factual and legal arguments supporting Eco Oro's claim against Colombia and the quantum of the damages sustained by Eco Oro. Eco Oro's claim is based on violations by Colombia of several provisions of the Canada-Colombia Free Trade Agreement (the "**Treaty**"), including:

- Deprivation by Colombia of the use and enjoyment by Eco Oro of its right to mine the Angostura Project under Concession Contract 3452, amounting to an indirect and unlawful expropriation under Article 811 and Annex 811 of the Treaty;
- Unfair and inequitable treatment by Colombia in breach of Article 805(1) of the Treaty including the frustration Eco Oro's legitimate expectations and failure by Colombia to provide a stable and predictable legal and investment environment and full protection and security.

Pursuant to the terms of the Treaty and customary international law, Eco Oro is entitled to monetary damages in accordance with the principle of full reparation. This requires damages to be calculated equal to the fair market value of the Angostura Project. Eco Oro and its experts calculate that the fair market value of the Project was \$696 million. Eco Oro is also claiming interest in the sum of \$68 million.

The three-member Tribunal constituted to hear the Arbitration claim will determine Colombia's liability and any compensation due to Eco Oro. The arbitral procedure is set out in Procedural Order No. 1. This can be found on the ICSID website at: <https://icsid.worldbank.org/en>.

## Company Profile

Eco Oro Minerals Corp. is a publicly-traded company and the Arbitration is its core focus.

## Forward-Looking Information

Certain statements in this press release are "forward-looking" statements within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. Forward-looking statements in this press release include, without limitation, statements regarding the likelihood of the Company being successful in the Arbitration, the impact of Colombia's measures on the Project, whether Colombia has breached the Free Trade Agreement, the losses that the Company has suffered, the timing and schedule of the Arbitration and related matters. Forward-looking statements are generally, but not always, identified by the words "expects", "plans", "anticipates", "seeks", "claims", "asserts", "in the event", "if", "believes", "assets", "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 are necessarily based upon the current belief, opinions and expectations of management that, while considered reasonable by the Company, are inherently subject to significant litigation, business, economic, competitive, political and social uncertainties and other contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in the forward looking statements. These factors include, among others, whether the Company is correct with respect to its positions and assertions regarding its dispute with Colombia, whether the Company will be successful in the Arbitration, as well as other risk factors set out under the heading "Risk Factors" in the Company's Annual Information Form dated March 27, 2017, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). 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 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, estimated or intended. 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. Investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

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

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