

Ecuador Gold Announces Amendment of Outstanding Debentures and Closing of an Additional US\$500,000 of Debentures

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Toronto, March 31, 2016 - [Ecuador Gold & Copper Corp.](#) (TSXV: EGX) (the "Company"), is pleased to announce that, further to the Special Meeting of the Company's shareholders held on March 4, 2016, a majority of the minority shareholders approved the amendment of the terms of all outstanding senior secured convertible debentures (the "Debentures") (the "Debenture Amendments"), which have an aggregate principal amount of US\$2,605,000, to extend the maturity date of the Debentures to December 31, 2016 in exchange for a new conversion price and increasing the principal amount of the Debentures by the amount of the accrued interest owing. The TSX Venture Exchange (the "TSXV") then conditionally approved the Debenture Amendments continuing to bear interest at the same rate of 12% per year with a new aggregate principal amount of US\$3,156,025 inclusive of the US\$551,025 accrued interest owing, all maturing on December 31, 2016, convertible into units (the "Units") comprised of one common share and one half common share purchase warrant (each whole warrant a "Warrant") at a price per Unit of \$0.20 of principal outstanding. Each Warrant then entitling the holder to acquire a common share at an exercise price of \$0.20 per share for a period of 24 months from the date of issuance. Accordingly, the Company has completed the Debenture Amendments effective as of today's date.

In addition, the Company also wishes to announce the completion of a non-brokered private placement offering of a further US\$500,000 of senior secured convertible debentures (the "New Debentures"). Each New Debenture will bear interest of 12% per year with the principal amount and interest due and payable on the same extended maturity date of December 31, 2016 (the "Maturity Date") as described above for the other Debentures unless converted into Units prior to the Maturity Date at a conversion price of \$0.20 per Unit. Neither the Debenture Amendments nor issuance of the New Debentures has resulted in the creation of a new control person.

The sale of the New Debentures was made to three of the major shareholders of the Company, including Aura International Services Ltd. ("Aura"), in reliance of certain prospectus exemptions. Aura presently owns 12,906,358 common shares of the Company, representing 50.2% ownership. Accordingly, Aura is a control person of the Company under applicable securities laws and is therefore also a related party to the Company. Consequently, the sale of New Debentures to Aura is a related party transaction, which was carried out under exemptions from the requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Likewise, the Debenture Amendments also constituted a related party transaction under MI 61-101, and such amendments were conditionally approved by the TSXV and were approved by the majority of the minority shareholders. For the Debenture Amendments, the Company has relied upon an exemption from formal valuation requirements under section 5.5(b) of MI 61-101 as described below in the context of the New Debenture offering.

Under the New Debenture offering, the Company is relying upon exemptions from both the formal valuation requirements and minority shareholder approval requirements of MI 61-101 under sections 5.5(b) and 5.7(1)(b) thereof, respectively. The Company is not aware of any valuation of the Company or its mineral properties. The Company is entitled to rely upon the exemption under section 5.5(b) because it is listed only on the TSX Venture Exchange and not one of the specified markets listed therein. The Company is entitled to rely on the exemption under section 5.7(1)(b) because the New Debenture offering is a distribution of securities for cash of not more than \$2,500,000. Aura has acquired New Debentures in the principal amount of US\$416,600 under the New Debenture offering and has already acquired prior Debentures having an aggregate principal amount of US\$2,582,357 (including the accrued interest under the Debenture Amendments). If Aura were to convert all such New Debentures and prior Debentures as well as the Warrants contained in the Units together with all other common share purchase warrants of the Company held by Aura at the existing conversion prices prior to the New Conversion Price taking effect in the prior Debentures, and assuming that no other holders of convertible securities of the Company converted or exercised their securities, then Aura would hold approximately 42,820,955 common shares of the Company (assuming an exchange rate of C\$1.33/USD) representing approximately 77.0% ownership.

The proceeds of the New Debenture offering are being used for the Company's Condor Gold Project, in-country working capital in Ecuador, and as additional working capital of the Company. All securities issued under the New Debenture offering and Debenture Amendments will be subject to a statutory four-month hold

period from the date of issuance. No finders fees were paid in connection with the New Debenture offering or Debenture Amendments.

About Ecuador Gold and Copper Corp.

[Ecuador Gold and Copper Corp.](#) is a Canadian exploration and mining company focused on its gold and copper mineral properties located in the Province of Zamora-Chinchiipe in southern Ecuador. The Company has completed a Preliminary Economic Assessment of its Santa Barbara Gold and Copper Project dated May 29, 2015, and is currently listed on the TSX Venture Exchange under the symbol "EGX". For additional information, please visit us at www.ecuadorgoldandcopper.com.

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