

# President's Message: CuOro Resources Seeks Shareholder Consent for Transaction With Pacific Road Resources Fund II

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VANCOUVER, 05/30/12 - [CuOro Resources Corp.](#) (TSX VENTURE: CUA) (FRANKFURT: 6BC) ("CuOro" or the "Company"), is pleased to present a long-term financing plan for the Company to its shareholders for consideration and approval as per the news release dated May 28, 2012 concerning the proposed investment in the Company by Pacific Road Resources Fund II and Pacific Road Resources Fund II L.P. (together "Pacific Road").

Over the past six months the Company has been working closely with Pacific Road negotiating an agreement that addresses the Company's long term financial needs while also maximising shareholder value in the short to midterm.

On May 28, 2012 (See Press Release) the Company entered into an Agreement with Pacific Road which achieves both these goals and provides the company with a long-term financial strategy to develop its flagship Santa Elena Copper project, while also benefiting from the technical and financial expertise of a dedicated and sophisticated investor. The terms of the agreement have been structured in a way so that Company can increase its market value, minimize dilution, and secure the funds required to develop its projects beyond feasibility. The agreement, provides for Pacific Road to invest over US\$45 million in staged financings related to project milestones and the achievement of positive results.

The full transaction agreement, for which the Company seeks shareholder approval, includes several components and is available on SEDAR. A summary of the key components are as follows:

1. Within 120 days of Shareholder approval being obtained, Pacific Road has agreed to complete the purchase a minimum of 2,000,000 Common Shares and a maximum of 3,000,000 Common Shares of the Company through market purchases, block trades or other means, in order to obtain the option to;
2. Subject to completing the minimum share purchase described above or the CuOro share price being \$2.00, Pacific Road has the option to make an equity investment in the Company of a minimum C\$5,000,000 and maximum of C\$7,500,000 through the purchase of P1 Units. Each P1 Unit consisting of one Common Share and one-half of a common share purchase warrant. The price per P1 Unit being C\$2.00 and the exercise price for each whole warrant being C\$2.50 for a period of two years from the date of the issue. The proceeds from the investment are to be used for further drilling and evaluation of the Santa Elena project.
3. After the P1 equity investment indicated in point 2 has been completed Pacific Road will receive one seat on the Board of Directors of the Company.
4. Upon the completion of a NI-43-101 Resource statement and a Preliminary Economic Assessment or Pre-Feasibility Study by the Company, Pacific Road has 45 days to exercise an option to make up to a C\$40,000,000 equity investment in the Company through the purchase of P2 Units. Each P2 Unit consisting of one Common Share and one-half of a common share purchase warrant. The price per P2 Unit will be priced at the 20-day volume-weighted average closing price of company's stock at the time of exercising the option, and the exercise price for each whole warrant being equal to 125% of the P2 Unit price. The proceeds of the investment are to be used for feasibility studies and development of the Santa Elena project.
5. Upon completion of the P2 equity investment Pacific Road will receive additional seats on the board of directors to represent its proportional share ownership.

Since the inception of the Company in 2011, CuOro has advanced its Santa Elena and Barranco de Loba projects in Colombia. The high-grade copper results generated by the drilling at the Company's flagship Santa Elena project have generated substantial interest from numerous mining companies and institutions. Several of these have signed Confidentiality Agreements ("CA"), including Hudbay Mining who currently owns a 14.3% stake in the Company. In June 2011, the Company started discussions with Pacific Road resulting in the execution of CA, and after several due-diligence site visits by Pacific Road technical staff to

Santa Elena a proposed investment in CuOro was made by Pacific Road.

As with every such expression of interest, the Company carefully considered the merits of such a proposal and after completing our own due-diligence on Pacific Road we concluded the following:

- Pacific Road is long-term investor who will stay with us through the project development cycle. Its business strategy is grounded on establishing true partnerships with companies which they invest in.
- The Pacific Road team comprises investment professionals that have extensive knowledge and experience in the mining and infrastructure sectors including considerable operating, project development, transactional and investment banking experience.
- Distinguished by its focus on project potential and management teams that have an operating orientation. Pacific Road strive to be a real partners with its portfolio investment entities, providing not only capital, but business expertise and access to financial networks and resources that enhance the prospects for long-term success. The Pacific Road management team has committed its personal capital to the Resources Funds it manages to align its interests with those of its investors.

In summary, despite the very challenging current market environment for junior resource companies, we remain focused on advancing Santa Elena and securing a long-term financial plan for the Company. It is our belief that the proposal by Pacific Road will help ensure the financial viability of growing CuOro into a much larger company in the years ahead. Additionally, we believe that CuOro shareholders will greatly benefit from being able to harness the technical expertise and financial strength of Pacific Road.

We feel that CuOro shareholders should be aware of and acknowledge Pacific Road's confidence and commitment in CuOro through; their planned purchase of 6-10% of the issued shares of the Company in the secondary market; their willingness to finance the Company at a significant premium to current market price, demonstrating the quality and attractive valuation of CuOro; and their potential investment of up to \$40,000,000 to ensure the future development of the Santa Elena project.

As such the Board of Directors of CuOro unanimously recommends that CuOro shareholders consent to the transactions with Pacific Road and urge all shareholders to approve the proposed transaction agreement, as fully described on SEDAR at [www.sedar.com](http://www.sedar.com), including Pacific Road potentially becoming a "control person" of CuOro under TSXV rules.

Robert Sedgemore, President and CuOro, CEO states, "We are very pleased to have Pacific Road as a long term strategic partner. This agreement reaffirms the value of our properties and their future potential. We look forward to continuing to expand the extent of the high-grade copper mineralization, and completing an initial NI 43-101 compliant resource estimate at our Santa Elena Copper Property, as well as initiating a drilling and exploration program at our Barranco Gold project".

In connection with the Agreement, CuOro hereby requests that you execute the attached Consent addressed to CuOro and the TSXV. If you have any questions concerning the Consent, please contact Dave Doherty at CuOro ([ddoherty@cuororesources.com](mailto:ddoherty@cuororesources.com)) or one of our lawyers at Cassels Brock: Andrea Fitzgerald ([afitzgerald@casselsbrock.com](mailto:afitzgerald@casselsbrock.com)) or Jake Bullen ([jbullen@casselsbrock.com](mailto:jbullen@casselsbrock.com)).

Please execute and return via PDF to [ddoherty@cuororesources.com](mailto:ddoherty@cuororesources.com) or fax to 1866.728.1687 the Consent as soon as possible.

Please click [here](#) to download the Shareholder Consent form

### **About CuOro Resources Corp.**

[CuOro Resources](#) (TSX VENTURE: CUA) is a Canadian publicly-listed exploration company with two projects in Colombia. The company flagship Santa Elena Copper project, located in Antioquia hosts potential high-grade near surface VMS deposits. The current 25,000m drill program is well underway, with recent results returning assays of 102.9m at 1.44% Cu including 14m at 2.9% Cu. The Company has the right to acquire 100% interest in the Santa Elena Property. The Company is managed by an experienced and technical management team residing in Medellin, Colombia and is well capitalized with \$14,000,000 in the treasury. The long-term growth strategy is to continue identifying and acquiring new assets in South America with a focus on copper and gold, and the commitment to upholding the highest environmental and social standards.

### **About Pacific Road Resources Funds and Pacific Road Capital Management Pty Limited**

The Pacific Road Resources Funds are private equity funds investing in the global mining industry. They provide expansion and buyout capital for mining projects, mining related infrastructure and mining services businesses located throughout resource-rich regions of the world. The Pacific Road Resources Funds are managed and advised by Pacific Road Capital Management Pty Ltd ("PRCM"). The PRCM team, located in Sydney, Australia, San Francisco and New York, USA, is comprised of experienced mining investment professionals that have extensive knowledge and experience in the mining and infrastructure sectors, including considerable operating, project development, transactional and investment banking experience. For further information on the Pacific Road Resources Funds and PRCM, please go to their website at [www.pacroad.com.au](http://www.pacroad.com.au).

For further information regarding CuOro, see CuOro's disclosure documents on SEDAR at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board of Directors of CuOro,

Robert Sedgemore  
President & CEO

### **Forward Looking Statement**

*Statements contained in this news release that are not historical facts constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date of this release. Forward-looking statements include, without limitation, possible events and statements with respect to possible events. The words "is expected", "estimates", "contemplated", "proposed" or variations of such words and phrases, or statements that certain actions, events or results "may" or "could" occur and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Corporation contained in this release, which may prove to be incorrect, include, but are not limited to, the terms and conditions of the Agreement being met by each of the Corporation and Pacific Road, Pacific Road completing all of the investments contemplated under the terms of the Agreement and the shareholders of the Corporation and the TSXV approving the contemplated private placements of the units. Known and unknown factors could cause actual results to differ materially from those projected in the forward- looking statements. Such factors include, but are not limited to: the Corporation and/or Pacific Road failing to fulfil the terms and conditions of the Agreement, changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Colombia or other countries in which the Corporation does business or may carry on business in the future; business opportunities that may be presented to, or pursued by, the Corporation; operating or technical difficulties in connection with mining activities; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties.*

*In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies could cause actual results to differ materially from those expressed or implied in any forward-looking statements made in this press release. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward- looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this release are qualified by these cautionary statements and those made in our other filings with the securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect the Corporation.*

*Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Contacts:**

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