

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Apr 6, 2016) - [Salazar Resources Ltd.](#) (TSX VENTURE:SRL)(FRANKFURT:CCG) (the "Company") - Mr. Fredy Salazar, President and CEO is pleased to announce a recapitalization plan for the Company that will include a private placement, royalty sale and debt conversion.

The Company is to sell units ("Units") to arm's length financiers to raise US\$1,050,000 (the "Private Placement") and will sell a 2% net smelter returns royalty ("NSR") interest in its Curipamba project for US\$4,750,000 (the "Royalty Sale"). In conjunction with and as a condition of the Private Placement and Royalty Sale the Company has negotiated agreements in principle with certain creditors, including arm's length creditors as well as employees and directors, to settle unpaid debts including debt arising from cash previously advanced and for accrued and unpaid compensation. Mr. Salazar said: *"In these difficult markets we are extremely pleased to have concluded these negotiations. We have been reviewing many financing opportunities and have decided this was the best opportunity available with strong supporters which will allow us to get back to work on advancing our projects in Ecuador."*

#### *Private Placement*

The Units are to be sold at a price of Cdn\$0.06, with each Unit being comprised of a common share of the Company and a half warrant, with each full warrant (a "Warrant") entitling the holder to purchase an additional common share of the Company at a price of Cdn\$0.12 (the "Warrant Exercise Price") for a period of two years from closing. The Private Placement will be led by Resource Capital Fund VI L.P. ("RCF VI") which will be purchasing, subject to completion of all documentation and satisfaction of all conditions precedent, US\$820,000 of the Private Placement. The remaining US\$230,000 balance of the Private Placement is to be purchased by two arm's length investors who have already advanced their subscription funds to the Company. Assuming a US/Cdn exchange rate of 1.2962, the Company is to issue 22,683,500 Units on closing of the Private Placement. The Company's term sheet with RCF VI provides that the parties are to determine a mutually-acceptable work program within three months of closing the Private Placement and if a work program cannot be settled within such period, RCF VI will be issued an additional Warrant for each whole Warrant issued in the Private Placement and the Warrant Exercise Price for RCF VI's Warrants will be reduced to Cdn\$0.069.

#### *Royalty Sale*

The Company has agreed to sell to RCF VI a 2% NSR in its Curipamba project. The Royalty Sale is to be completed in two tranches of 1% for US\$2,375,000, with closing of each tranche being subject to the satisfaction of conditions precedent.

The Company and RCF VI have agreed to a cash expenditure budget for the net proceeds to be received from the Private Placement and the Royalty Sale.

#### *Debt Conversion*

The final component of this recapitalization plan, and a condition precedent to the Private Placement and Royalty Sale, are agreements to settle outstanding debt (the "Debt Conversion"). To date the Company has received cash advances from both arm's length parties and certain insiders to assist the Company with maintaining operations and paying all core costs including prior years' tenure payments on its properties. To date the amount owing on account of cash advances plus accrued interest thereon totals US \$ 1,052,515 and assuming a US / Cdn exchange rate of 1.2962 the Company will issue 22,737,832 Units on closing of the Debt Conversion. The units to be issued pursuant to this debt settlement will have the same terms as the Private Placement financing units. In addition the Company has negotiated debt settlements for both insiders and non-insiders in regards to accrued and unpaid compensation pursuant to which US\$265,783 of debt is to be forgiven and US\$258,726 is to be settled by the issuance of 5,589,344 common shares at a price of Cdn \$0.06 per share.

No change of control will occur as a result of these transactions. On closing of the Private Placement, RCF VI is to have the right to nominate a representative to the Company's Board of Directors provided that RCF VI or its affiliates hold at least 5% of the Company's issued and outstanding common shares or an interest in the Royalty. RCF VI will also have the right to participate in future financings to maintain its equity interest. In addition, the Company will require the consent of RCF VI to raise equity or convertible debt at a price less than the Warrant Exercise Price until the Warrants expire, with such consent to not be unreasonably withheld.

The Private Placement, the Royalty Sale and the proposed settlement of outstanding debt are subject to the approval of the TSX Venture Exchange. The Private Placement will close once all conditions precedent are satisfied, and the parties have targeted a closing date of April 22, 2016.

#### *About Resource Capital Funds*

Resource Capital Funds ("RCF") is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 148 mining companies, with projects located in 47 countries and across 29 commodities. The sixth fund, Resource

Capital Fund VI L.P. ("RCF VI") with committed capital of \$2.04 billion, is now being invested. Further information about RCF can be found on its website ([www.resourcecapitalfunds.com](http://www.resourcecapitalfunds.com)).

RCF has a strong team of investment professionals, with wide ranging industry and technical expertise and a demonstrated history of investments in mining globally. RCF's track record is based on its ability to pick technically and commercially compelling assets and support management to achieve desired outcomes whilst remaining throughout a source of patient capital. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so strives to earn superior returns for all shareholders.

#### About Salazar Resources Limited

[Salazar Resources Ltd.](#) is a publicly-listed (TSX VENTURE:SRL)(FRANKFURT:CCG) mineral resource company engaged in the exploration and development of new highly-prospective areas in Ecuador. Led by a senior Ecuadorian management team and most notably by its namesake Fredy Salazar, this team has been instrumental in other major discoveries throughout Ecuador. Being based in Ecuador, thus having thorough knowledge of local human and environmental issues, gives the company a strategic advantage, enabling it to complete exploration at a rapid pace. With an excellent property portfolio (3 projects- 42,900 hectares), good geopolitical positioning and a number of strategic corporate and financial partnerships, Salazar has positioned itself to be a strategic player in Ecuador and throughout South America.

ON BEHALF OF THE BOARD OF [Salazar Resources Ltd.](#)

Fredy Salazar, President & CEO

[Salazar Resources Ltd.](#)

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

This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. Forward-looking information herein includes, but is not limited to, statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as the successful completion of the Private Placement, Royalty Sale and Debt Conversion and the timing of closing of the Private Placement. Such forward-looking information is based on a number of material factors and assumptions, including that the parties will be able to negotiate definitive agreements in respect of the Private Placement, Royalty Sale and Debt Conversion, and that the Company will be able to satisfy the conditions precedent to closing of such transactions. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information except in accordance with applicable securities laws.

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