Ecuador Gold Announces Closing of Shares-for-Debt Transaction

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VANCOUVER, Ecuador Gold & Copper Corp. (TSXV: EGX) (the "Company") is pleased to announce that it has completed the shares-for-debt transaction announced on June 7, 2016 and May 25, 2016 to settle (the "Debt Settlements") an aggregate of $502,330 in outstanding debt (the "Debt") owing for interest free advances made to the Company, geological mineral exploration, administrative services and office rent, legal services, expenses and consulting, which includes debt owed to non-arm's length management in the amount of $134,799 owed for incurred expenses and past management services rendered and accrued in 2015 and 2016 to senior officers of the Company. The Company settled the Debt by issuing an aggregate of 1,088,027 common shares of the Company at a price of C$0.39 per share and 195,000 common shares of the Company at a price of $0.40 per share (collectively, the "Debt Shares"). All Debt Shares issued to settle the Debt are subject to a four month hold period.

The issuance of Debt Shares to non-arm's length management is an exempt related party transaction under sections 5.5(b) and 5.7(b) of *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as respective exemptions to from the formal valuation requirements and minority shareholder approval requirements of MI 61-101. 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. Likewise, the Company is entitled to rely on the exemption under section 5.7(b) because the Debt Settlements to non-arm's length management are distributions of securities for cash of not more than $2,500,000.

The Debt Shares associated with the Debt Settlement are intended to be issued to preserve cash dedicated to the Company's mineral properties, to improve working capital and strengthen the Company's balance sheet.

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-Chinchipe 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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