

Ecuador Gold Announces Completion of Conversion of Debentures, Cashless Exercise of Warrants and Debt Settlement

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Toronto, October 28, 2016 - [Ecuador Gold & Copper Corp.](#) (TSXV: EGX) (the "Company"), is pleased to announce that, further to the Company's news releases of September 26, 2016 and October 24, 2016 in conjunction with the proposed plan of arrangement (the "Arrangement") with [Odin Mining and Exploration Ltd.](#) ("Odin"), all holders (the "Debenture Holders") of the outstanding debentures of the Company ("Debentures") have exercised their right to convert the outstanding principal amount under their Debentures into units of the Company (the "Units").

Debentures in the total principal amount of US\$1,250,000 (the "New Debentures"), comprised of US\$232,784 senior secured Debentures and US\$1,017,216 unsecured convertible Debentures issued by the Company on September 8, 2016 will be converted at a price of C\$0.40 per Unit. The Warrants contained in the Units acquired upon conversion of the New Debentures entitle the holder to purchase one additional common share (a "Warrant Share") at a price of \$0.40 for 24 months from the date of conversion of the Debentures. The Company issued a total 4,062,497 common shares to the Debenture Holders on conversion of the total principal of the New Debentures, which are subject to a hold period that expires on January 9, 2017.

Amended and restated senior secured Debentures in the total principal amount of US\$3,156,025 as amended effective March 31, 2016 (the "Amended Debentures") will be converted at a price of C\$0.20 per Unit. Additional Debentures issued as of March 31, 2016 in the total principal amount of US\$500,000 (the "Additional Debentures") will be converted at a price of C\$0.20 per Unit. The Warrants contained in the Units acquired upon conversion of the Amended Debentures and the Additional Debentures entitle the holder to purchase one additional common share (a "Warrant Share") at a price of \$0.20 for 24 months from the date of conversion of the Debentures. The Company issued a total 23,764,162 common shares to the Debenture Holders on conversion of the total principal of the Amended Debentures and Additional Debentures.

In addition, all Debenture Holders have converted all accrued unpaid interest under their Debentures in the total amount of US\$375,693 (C\$488,401) into 634,283 common shares at a price of C\$0.77 per share. All common shares issued on conversion of the interest are subject to a four hold period that expires on March 1, 2017.

The Debenture Holders have all also exercised their Warrants, on a cashless basis, by way of an exchange of their Warrants for that number of common shares of the Company determined by multiplying the total number of Warrant Shares issuable on exercise of the Warrants by a fraction, the numerator of which was the difference between (x) \$0.80 and (y) the exercise price of the Warrant Shares, and the denominator of which was \$0.80. The Company issued a total 9,927,175 common shares to the Debenture Holders on the cashless exercise of the Warrants.

The Company has also completed the settlement of a total of US\$299,300 (C\$394,028) in debt (the "Debt") owed to Heye Daun, Chief Executive Officer and a director of the Company, or to a private nominee services company in which Mr. Daun holds a direct or indirect beneficial interest. The Debt consists of: (1) management fees of US\$97,500 owed to Mr. Daun's company for the months January to October, 2016; (2) outstanding expenses incurred by Mr. Daun of US\$3,800 from January to October, 2016; and (3) a severance payment of US\$168,000 in the consulting agreement dated January 1, 2016 between the Company and his private nominee services company, which will be triggered as a result of the completion of the Arrangement. The Company has settled the Debt by issuing a total of 656,713 common shares of the Company (the "Debt Shares") at a deemed price of C\$0.60 per Debt Share. The Debt Shares are subject to a four month hold period that expires on February 27, 2017.

The Arrangement is expected to become effective on November 1, 2016 at 12:01 a.m., and the Company's common shares will then be delisted from the TSX Venture Exchange on that date but shareholders of the Company receive common shares of Odin pursuant to the Arrangement. Common shares of Odin trade on the TSX Venture Exchange under the trading symbol "ODN". The Company and Odin will issue a joint new release at the relevant time to announce the completion of the Arrangement.

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-Chinchi 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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